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20 December 1985

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ANGOLA

SOVIET MISSILE, RADAR SHIELDS INSTALLED

Johannesburg SUNDAY TIMES in English 27 Oct 85 p 19

[Article by Neil Hooper: "Reds Now Shield Troops Airlift to Maputo and Angola"]

[Text]

MASSIVE Soviet missile and radar shields have been quietly installed in Angola and Mozambique and could provide an umbrella for a Soviet-sponsored air shipment of troops into these countries.

At the same time, it is claimed, there has been a huge build-up of sophisticated weaponry in the two countries:

- Mozambique now has 137 fighter aircraft, 420 tanks, 386 artillery guns, 90 anti-aircraft artillery weapons, and 725 surface-to-air missiles.
- Angola has 244 fighter aircraft, 465 tanks, 546 artillery guns, 1 408 anti-aircraft weapons, and 793 surface-to-air missiles.

Details of the radar, missile and anti-aircraft shields, as well as maps showing their disposition, are disclosed in the latest issue of the authoritative Armed Forces magazine.

Umbrella

The magazine claims the umbrella in Angola appears to be part of an all-out attempt by Soviet-supported government Fapla forces to knock out the pro-Western guerilla Unita forces led by Dr Jonas Savimbi.

An editorial states: "The existing air defence umbrella constructed by the Soviets in Angola will no doubt be extended to provide cover for their anti-Unita operations.

"It can be moved so that it extends into South West Africa airspace, when it will be a threat that could be used to interdict the use of many of the Republic's forward airfields.

"In addition, it could well be used as a shield for Swapo bases in Angola, which in turn could be moved further south in the knowledge that the SAMs and modern aircraft that have been introduced into the region will give them a new degree of security."

The magazine makes a comparison between the present situation between South Africa and Angola and Mozambique, and Israel and Egypt during the Israeli/Arab war in 1973.

Then, Egypt installed a Soviet-supplied missile and radar shield very similar to that now in Angola and Mozambique.

"The Egyptians had installed SA-2, SA-3 and SA-6 missiles supported by radar acquisition and fire-control systems, as has now been done in both Angola and Mozambique.

"The effectiveness of this missile shield caused serious losses to the Israeli Air Force and resulted in a virtual suspension of air support for the ground forces.

"In the first three days of the war, of the 50-plus aircraft lost, 45 were lost as a result of ground fire."

As the Israelis could not afford this high loss, they had to use ground forces to knock out the anti-aircraft and missile bases before the air force could fulfil its normal role of ground support.

Another effect of the missile shield was to nullify the superiority of the Israeli pilots, who were unable to the enter airspace protected by the missiles to engage Egyptian aircraft.

Publicity

"Viewing the developing scenario in Angola and Mozambique as shown in tables here, and the limited

capability of the South Africa Air Force that is equipped with aircraft of the same vintage of the Israeli Air Force in 1973, it is surprising that more comment has not been published on this threat.

"While the majority of present installations are of a mobile nature, there is another aspect that should not be overlooked.

"At present the shield would provide an umbrella for the movement by air or forces from outside, another Cuban or Soviet-sponsored build-up, or the movement of forces by air inside the country," the article says.

/12851

CSO: 3400/414

ANGOLA

SAVIMBI SPEAKS TO JOURNALIST ABOUT PLANS, IDEAS

Johannesburg BUSINESS DAY in English 14 Nov 85 p 9

[Text]

JONAS SAVIMBI has been a guerilla for nearly half of his 51 years, at first leading Unita in its battle against Portuguese colonial domination and continuing the fight against those he sees as the new colonialists — the Cubans and their Soviet advisers.

While Angola this week officially celebrated 10 years of independence Savimbi recommitted Unita to the struggle for a "free Angola" at a colourful rally at Jamba's parade ground.

Disciplined troops, captured armaments and a stream of newly-taken prisoners were paraded before a few thousand supporters against a backdrop of huge posters hinting at Savimbi's ideological leanings — pan-Africanism and non-alignment.

The rally was largely for the benefit of visiting newsmen but one sensed that Savimbi also sought to reassure his followers that Unita's struggle could, and should, continue despite the costly offensive launched recently by government troops.

The offensive, the Unita high command concedes, caught the rebels off guard. It had two main thrusts, but was concentrated on Mavinga, with the main prize Jamba.

Unita had to pull troops back from the northern Moxico province to thwart the main thrust, a move that was successful. The MPLA's military wing, Fapla, together with their Cuban allies, retreated in late October, but Unita lost control of a number of towns in Moxico.

"The 10 years of independence has been a time of frustration. We expected more and we must strive to make sure the next 10 are better."

Despite the cost to Unita, and though Savimbi concedes he is unlikely to win the war, he says he has no regrets about starting the battle in 1975, nine years after he formed Unita.

"The 10 years of independence has been a time of frustration. We expected more and we must strive to make sure the next 10 are better."

He says he has no preconditions for talks with the MPLA — such overtures have been spurned to date — but insists the first point on the agenda must deal with the repatriation of the Cubans and Russians.

However, he says Angolans first have to learn the meaning of the word *dialogue*.

"We have to cultivate enough tolerance to live with the differences between people here.

"We want Angola for Angolans. We accept Angola is an important place in the sub-continent, and we accept the

struggle we have to bear. Despite all our suffering and the thousands of disabled and widows we now have, we still have something to defend — the honour of our people and the right to be different."

Talking through an interpreter to 15 of the prisoners highlighted the human tragedy that has scarred Angola. The youngest was 15, the oldest 23, and only four had volunteered to join Fapla.

Some had not seen their families since 1983, and will doubtless not see them for some time to come. According to Unita, they will be free to continue their education or start working once they "accept the Unita way of life".

Savimbi says the MPLA reneged on an agreement with the Portuguese to hold elections and called in the Cubans to keep Unita out.

"The MPLA represent only a portion of the Angolan people, while we represent the majority. Therefore, we do not ask them as a favour to come to terms with us."

While clearly disappointed at the lack of military aid from the West to date, he is optimistic it will come one day.

"If you keep fighting, your friends will come forward. In 1976 everyone left us, but France and SA have already come back with some humanitarian aid."

Savimbi defends the SA connection, though it was emphasised that SA Air Force aircraft had not been involved in the recent two-month offensive.

He says SA and Unita share a common enemy in the Soviet Union and Russian expansionism, and points out that Angola would become the launching pad for such activity were Unita defeated.

He says fuel comes through South West Africa to Jamba, while diamonds and ivory go the other way, raising some desperately needed cash for the rebels.

Unita claims to control the south-eastern third of Angola. In that area they

have built and administer schools, agricultural schemes, hospitals and clinics.

They also have administration committees that oversee the control of natural resources.

Savimbi's vision for the future appears to be based largely on developing a mixed economy, concentrating on the vast agricultural sector.

He says a sound agricultural policy would be the basis for a prosperous Angola. He is highly critical of the MPLA government because Angola has been transformed from a country that produced enough food into an "international beggar".

He says State co-operatives must be abolished and the land must be returned to the peasants.

"The State's role should be limited to ensuring that conditions exist for land to be cultivated and for the produce to be sold."

An adequate rural infrastructure has to be created — roads developed and health and educational centres built and manned. Apart from restoring profitability to rural areas, Savimbi says these moves would stem the flood of people to the cities, where they have little or no chance of finding employment.

"What we have to do is restore the people's pride and sense of responsibility. The government calls itself socialist, but they don't do anything for anyone. They are just corrupt."

Other economic proposals include the creation of a new national currency and reserve bank to operate with private

banks and insurance companies, while free enterprise would be encouraged to a far greater extent.

Savimbi is openly anti-Soviet, though he and many other Unita leaders have had training there. After the Soviet Union backed the MPLA, Savimbi received support from China, but today is

regarded as one of Africa's moderate leaders.

He is particularly keen to get military aid now. Apart from the fact the MPLA are receiving increasingly sophisticated weapons for which Unita has no adequate reply, he believes a stronger Unita will win the day for moderates within the MPLA hierarchy who favour a negotiated settlement.

Unita, though based in the south-east, have guerrillas who operate throughout the country and recently were active in the oil-rich enclave of Cabinda.

"What we have to do is restore the people's pride and sense of responsibility. The government calls itself socialist, but they don't do anything for anyone."

Savimbi's support in the northern regions is evident from the forced marches captives have had to endure in the past. About 75 hostages marched unhindered for 33 days and 570km through MPLA territory last year.

Unita's regular army now stands at 26 000, while they say they have 34 000 guerrillas. This represents an increase of 20% on their total forces a year ago. But ranged against them are about 80 000 Fapla troops, up to 40 000 Cubans and thousands of Russian and East German advisers.

Savimbi says his forces had great difficulty in containing the tanks used against them but he is not too concerned at Fapla's airpower, despite the fact it has MiG 21 and 23 jet fighters.

He is confident his anti-aircraft system is more than adequate. As we left Jamba, its buildings dotted among the bush, towers with anti-aircraft weaponry were seen.

ANGOLA

ENVOY CRITICIZES RSA IN ANNIVERSARY STATEMENT

LD112317 Lisbon International Service in Portuguese 1900 GMT 11 Nov 85

[Text] Statements made at a press conference in Lisbon today by Angolan Ambassador Joao Baptista, in connection with the anniversary of his country's independence, show that the Angolan Government expects the new Portuguese Government to pursue a consistent policy of rapprochement. The ambassador denounced the fact that, in bilateral political relations, the Portuguese side has so far failed to establish a clear differentiation between the essential and opportune on the one hand, and the unnecessary on the other.

According to the Angolan ambassador the major stumbling block to the development of bilateral relations has been the freedom of movement and tolerant attitude accorded in Portuguese territory to forces and leading individuals active against Angolan sovereignty. The ambassador added that during the stay in Luanda last September of the then Portuguese Foreign Minister Jaime Gama the two governments had recognized that the lack of political dialogue is a basic factor of the coolness that characterizes relations between the two countries.

The Angolan ambassador listed the accomplishments of his country in various areas of activity and attacked South Africa over its acts of armed aggression and its support for National Union for the Total Independence of Angola [UNITA]. He stated, inter alia: Without a single day of peace since independence, Angola has suffered 4,000 violations of its air space and territory by the South African army, 168 air bombings, 100 major land attacks, four naval landings and countless parachute drops of war equipment.

The Angolan ambassador pointed out that, besides the thousands of dead among soldiers and civilians and the destruction of goods and equipment to the tune of over \$11 billion--and recently some \$50 million worth of material damage--in the course of the last few years over 400,000 people have been displaced as a result of South African aggression.

The ambassador also criticized the U.S. policy of support for UNITA, describing it as state terrorism against a member of the OAU, of the Nonaligned Movement and of the United Nations.

The Angolan diplomat stressed that Angola's production of crude oil has increased to over 200,000 barrels per day and added that Angola's main undertaking, the Capanda hydroelectric scheme, should be completed by the end of 1990 and will then further the agricultural and industrial development of several provinces.

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CSO: 3400/455

BOTSWANA

COMMENTARY URGES RSA DIALOGUE WITH ANC

MB011313 Gaborone Domestic Service in English 1111 GMT 1 Nov 85

[Station commentary]

[Text] Just when there was a hope that the white South African population had awakened to a realization of the need to discuss their country's problems with the ANC, President P.W. Botha stifled their efforts. Last week, the Pretoria government withdrew the passports of Stellenbosch State University students who wanted to travel to Lusaka to talk with the ANC youth wing.

This week it also threatened to stop a group of clergymen from going to hold discussions with the ANC again in Zambia. And yet a delegation of prominent South African businessmen that held talks with the ANC recently described the discussions as fruitful.

President Botha has always stressed the importance of dialogue in solving the country's problems, but when South Africans want to talk to their fellow countrymen to find ways of solving the South African apartheid crisis, obstacles are put in their way. Surely, if progress is to be made, dialogue should not be the prerogative of the government alone.

The commonwealth summit last week said it would appoint a group of eminent persons to hold talks with the South African Government, and also with independent organizations and nationalist movements. We must hope that these talks, at least, are allowed to go ahead. It's the mistrust of dialogue and an attitude on all sides that what's yours is mine, and what's mine is my own, that has led to the stalemate and resultant atrocities in the country. Although Mr Botha might prefer to talk only with black representatives of his own choice now, he may eventually be forced to come to the negotiating table with what he calls the enemy, when South Africa's problems have reached uncontrollable proportions.

It has happened before.

/8918

CSO: 3400/514

BURKINA

MINISTER MEETS WITH PRESS ON AGRICULTURAL SITUATION

AB222241 Ouagadougou Domestic Service in French 1900 GMT 22 Nov 85

["Excerpt" of the interview with Agriculture and Livestock Minister Traore Seydou by the national press on 22 November in Ouagadougou]

[Text] The just ending 1985-86 agricultural season has given rise to a lot of hope among the masses. On the one hand, the harvest is promising and on the other hand, the problem of potable water will be less acute than it was last year. This is because of the abundant rainfall recorded as well as the new awareness of consultative agents whose actions within the Rural Development Organizations have been more effective at the level of producers' cooperatives. We must also [words indistinct] calling on all Burkinabe citizens to transform Burkina Faso into a building site.

It must, however, be noted that on the agricultural front, the season started off with a lot of difficulties because the rain, which only fell in certain areas and was irregular until 20 June. The situation nearly jeopardized the sowing of grain. Fortunately the rain became abundant and regular late in June and early in July. This made it possible for farmers to continue preparing the land for cultivation. Thanks to these favorable conditions, the grain grew satisfactorily in general and there were very few cases of resowing. The end of July was marked by abundant rainfall resulting in the flood of cultivated valleys; the rain also disrupted the weeding work. In spite of the disruption, the results are generally satisfactory.

Evidence of this is that with regard to cereal production, 16 provinces have recorded surplus production totaling 151,044 metric tons. The total production is estimated at 1,580,000 metric tons as against 1,140,000 metric tons last year.

With regard to cash crops, the production is estimated at 127,786 metric tons of peanuts and 100,967 tons of cotton. Some 50 percent of the needs in grazing land were met in the Sahel region, while 70 percent were met in the central area, and 90 to 100 percent in the south of the country.

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CSO: 3400/517

CAMEROON

MEASURES AGAINST RURAL EXODUS

Yaounde CAMEROON TRIBUNE in English 23 Oct 85 p 8

[Article by Anthony Chungong (for CAMNEWS)]

[Text] Headmasters and classroom teachers in Tombel Sub-Division have been called upon to avoid frequent movements during these periods to Ministries in Yaounde. Rather they should use these periods for the intensive supervision which will provide proper and adequate coverage of their school syllabuses.

This appeal was made in Tombel last month by the Sub-Inspector of Primary and Nursery Education for Tombel Sub-Division, Samuel Kome, while launching the 1985/86 school year in the sub-division. Mr. Kome revealed that the Minister of National Education initiated the reorganisation of the Ministry of National Education and the new organigramme now recognises the heavy responsibilities of headmasters. He called on them to put into reality the confidence that is now put in them.

During the 1984/85 school year, the sub-division had 27 public schools with a population of 8,939 pupils and 181 teachers. The schools parti-

cipated in many public examinations. He regretted that the results obtained from these schools were not satisfactory and said teachers must adjust themselves as they would in future be judged from the results of such examinations.

He called on them to enter the 1985/86 year with full determination and to make the best use of whatever materials they would have at their disposal.

Addressing the meeting was the Assistant Divisional Officer for Tombel Sub-Division, Henry Nya, who called on headmasters to redouble their efforts during the 1985/86 school year. He pointed out that during the 1984/85 school year most schools in the sub-division fell below expectation as most headmasters and teachers used the school as a pretext for other adventures. They were always seen in town. The consequence was that children placed under their control were left to idle around, he lamented.

**Mr. Nya also called for
close collaboration between
headmasters and teachers
for the interest of schools
and pupils.**

/12379

CSO: 3400/516

ETHIOPIA

PAPER CONDEMNS U.S. POLICY OF 'INTERFERENCE'

EA011613 Addis Ababa Domestic Service in Amharic 0915 GMT 1 Nov 85

[Report on ETHIOPIAN HERALD article--date not given--on President Reagan's speech at the UN 40th anniversary in New York, entitled: "Hands Off Ethiopia"]

[Text] Revolutionary Ethiopia, says the ETHIOPIAN HERALD, condemns the policy of interference and aggression pursued by the Reagan administration. In its statement regarding this last Wednesday the Ministry of Foreign Affairs stated that President Reagan's recent speech at the UN General Assembly clearly shows that the current Reagan administration has unprecedentedly stepped up its policy of interference and aggression. As correctly conveyed by the ministry's statement, President Reagan's policy of militarism has been evident at various times and in manifested situations.

The statement mentioned that among these situations are the war declared on Nicaragua by President Reagan, the steps he has taken to stifle the ongoing popular movement in El Salvador, the aggression against Grenada by America's soldiers, Washington's aid to the fascist governments of Chile and South Africa and the policy she pursues to delay Namibia's independence and to prevent peace from prevailing in the Middle East.

The statement continued by saying that President Reagan's outlook on five revolutionary countries, including revolutionary Ethiopia, in addition to being unacceptable and in contradiction to the right of people to decide their destiny by themselves, is also regarded as condoning oppression and exploitation.

The Foreign Ministry statement pointed out that regarding the situation in the Horn of Africa, President Reagan had created suitable conditions for terrorists and expansionists, which are the cause of global unrest, by establishing new military bases.

The statement added that the American administration, in addition to using the humanitarian aid given by the people of America to help revolutionary Ethiopia in her struggle to withstand the drought problem, as a political weapon, has committed a political crime by violating our country's borders [by] transporting thousands of Ethiopians from Sudan to Israel. This is not the first time that the Reagan administration has shown its policy of war mongering and interference.

The current American administration is famous for its hatred of global popular movements seeking to bring about equality and genuine independence. As proof of this it is enough to mention the plots and machinations perpetrated by the world famous imperialism in Africa, Asia and Latin America to render ongoing revolutionary movements impotent. Up to now the Ethiopian revolution has been a target of imperialist plots.

At the same time the broad masses of Ethiopia and their revolutionary leadership decisively rose to topple the atrocious feudal system, imperialists were greedy to obstruct the movement for justice and liberty and to incorporate this country and her people into their camp. This is an issue that revolutionary Ethiopia's current generation will absolutely not accept.

The ETHIOPIAN HERALD concludes its article by saying: It is with an understanding of this truth that we ask imperialists and their collaborators to take their hands off Ethiopia.

/8918

CSO: 3400/455

ETHIOPIA

BRIEFS

ROMANIA DROUGHT AID--The Relief and Rehabilitation Commission today received 80 tractors and plows, 40 heavy duty trucks, 10 water tanks, 30 refrigerated vehicles, 3 water drilling machines, 50 water drilling rigs, 10 tons of spare parts, 8 tons of various foods and 42 tons of clothing from the government of the Socialist Republic of Romania for the relief of drought victims. [Summary] [Addis Ababa Domestic Service in Amharic 1700 GMT 14 Nov 85 EA] /8918

CSO: 3400/455

GHANA

BRIEFS

ALIENS URGED TO FOLLOW REGULATIONS--The Ministry of Interior has reminded all non-Ghanaians resident in the country that they are required by the Aliens Registration Regulations of 1974 to regularize their stay within 14 days after they have been granted permit under the Aliens Act 1963 to remain in Ghana. A section of the regulations also makes it obligatory for any non-Ghanaian who wishes to change his residence from one district to another to notify in writing the immigration officer of the district in which he resides within 7 days before the change of residence, to the proposed date on which the change of residence is to be effected, his intended place of residence and his address. The foreign national should also notify the immigration officer of the district in which he takes the residence within 28 days after he has taken his residence. A statement by the ministry shows concern that these laws and regulations are being violated by the foreign nationals with the active connivance of some Ghanaians. It advises all foreign nationals and their Ghanaian collaborators to comply with the provisions of the regulations. The ministry warns that it will not spare any persons who violate the provisions. [Text] [Accra Domestic Service in English 2100 GMT 19 Nov 85 AB] /8918

CSO: 3400/460

GUINEA

GUINEA PREPARES MONETARY REFORMS

AB181600 Paris AFP in French 1238 GMT 18 Nov 85

[By Patrice Collen]

[Text] Conakry, 18 Nov (AFP)--Twenty months after the fall of the Sekou Toure regime, Guinea is preparing to make a big leap toward a complete reform of its monetary system, the biggest reform since the coming into power of General Lansana Conte in April 1984.

This surgical operation, aimed at buoying up an economy exhausted by 26 years of dictatorship, should come about next January at the latest, according to various sources. Highlights of this reform: A "massive" devaluation of 1,500 percent, to bring the exchange rate of the syli--the national currency--from its present official rate of 2.8 syli to Fr 1, to 45 syli to Fr 1, the current black-market rate.

A first step was made on 7 October with a devaluation of 1,200 percent limited only to nonresidents' transactions (embassies, international organizations, and Guineans abroad). The opening of this second counter, where the exchange is fixed at 36 syli to Fr 1, and which remains limited to transactions of local currency purchasing, is far from bringing the expected foreign exchange. "It is essentially a matter of making a psychological step, to show that the reform has been launched and that there is no turning back," an international expert points out.

At the same time, Guineans will abandon the syli ("elephant," in local language), symbol of economic failures of the Sekou Toure dictatorship. The new monetary sign could be called the "Guinean franc." It will be made to float and will only be partially convertible in the form of weekly bids organized by the Central Bank, according to informed sources. Specialists note that it is only in the long run that Conakry could envisage to return to the franc zone which Guinea, the first French colony to break away from metropolitan France in 1958, quitted ostentatiously 2 years later, in March 1960.

By injecting this new blood into a moribund economy, the Guinean Government is trying, with the help of financial backers, to succeed in passing from a 90 percent black-market economy to a modern one. The first phase is the setting up of an operational banking system. From now until January, three branches

of French banks--International Bank for West Africa (BIAO), National Bank of Paris (BNP) and General Banking Company (SGB)--will be established in Guinea. Branches of the BNP and International Bank for Commerce and Industry of Guinea (BICI-GUI) should open branches throughout the country.

As for the Guinean nationalized banks, most of which have squandered the accounts of their customers, they should be liquidated after compensating their private creditors.

Another indispensable step toward buoying up the Guinean economy is the reorganization of the civil service. The civil service, which has between 80,000 and 100,000 salaried workers according to the most precise estimates, should be able to begin a serious sliming course.

Since 11 November, physical counting has been going on under the aegis of the World Bank in order to find out the large number of ghost civil servants. According to a reliable source, the team responsible for the counting exercise even reported to have found a permanent undersecretary who could not give evidence of his qualifications....

With the privatization of a number of parastatals, and the dismissal of the most incompetent civil servants, the number of Guinean civil servants is expected to drop gradually to about 50,000.

This trimming down exercise is expected to be accompanied by a substantial wage increase regardless of the current cost of living. In this connection, a minister earns 22,000 sylis (Fr600) per month, a permanent undersecretary 10,000 sylis (Fr270), while an average civil servant earns 5,000 sylis (Fr135). A 50-kilogram bag of rice (which lasts a 10-member family for 15 days) sells for 8,000 sylis on the free market.

"The state pretends to be paying us, and we pretend to be working." It is often heard in the administration. As a result, many Guinean civil servants only spend 2 or 3 hours a day in their offices and the rest of the day is devoted to finding ways to make ends meet.

With the setting up of a banking system and the launching of the reorganization of the civil service, the first bases for a thorough economic reorganization are laid. What is left to be done by the Guinean head of state, who has become famous for his prudence but who is often accused of having a wait-and-see attitude, is to make the final step and diplomatic observers believe this will happen after a cabinet reshuffle.

An international expert points out that the international financial community is exceptionally mobilized for Guinea. The World Bank, the International Monetary Fund, France, Japan, Switzerland, and the FRG are expected to release some \$170 million in 1986 for the economic revival of that country, one of the potentially richest countries in Africa.

/8918

CSO: 3400/455

KENYA

BRIEFS

DANISH DEVELOPMENT AID--Wundanyi, 8 Nov--The Danish Development Agency (DANIDA) has set aside shs 400 million as a grant in aid during the current financial year, for the improvement of various development projects in Kenya. Of the total amount, the Taita Taveta integrated programme will receive about shs 30 million. The projects to benefit from the aid include the provision of clean water in rural areas, soil conservation, and improved agricultural and afforestation programmes. The head of the Danida mission in Kenya, Mr Claude Nyholm, announced this in Wundanyi yesterday when he addressed the members of the Taita Taveta Executive Committee. [Excerpt] [Nairobi KNA in English 1745 GMT 8 Nov 85 EA] /8918

CSO: 3400/462

LESOTHO

KING MOSHOESHOE ADDRESSES COMMONWEALTH HEADS, CALLS FOR SANCTIONS

Maseru THE COMET in English 26 Oct 85 p 8

[Text]

HIS MAJESTY KING MOSHOESHOE II says that the oppressed majority of South Africans had taken their own decision to pursue their struggle regardless of what the Commonwealth or other international organisations might do or say.

Addressing the Commonwealth heads of government in Nassau in the Bahamas last week, His Majesty said, however the oppressed people in that country would follow the Nassau deliberations with interest in order to decide whether or not the Commonwealth was relevant to their struggle.

The King said the African National Congress (ANC) of South Africa had been involved in 50 years of constructive engagement without positive result before deciding to pursue the struggle by other means.

He reminded the meeting that the biggest campaign for disinvestment, destabilization and aggression in Southern Africa has always been South Africa. He said South Africa had with arrogance and impunity invaded her neighbours at her own will and discretion.

His Majesty quoted a one time British Prime Minister some years ago who spoke of the "Wind of Change". The King said this time it is a possible hurricane of sanctions. He appealed to all friends to help countries in the region to prepare for and cope with this change.

Meanwhile, Mr. Nzo of the ANC said, however in view of Mrs Thatcher's obdurate stance on economic sanctions against South Africa, the meeting had to come to a compromise on this issue.

He warned that Mrs Thatcher in her adamant rejection of sanctions was isolating herself more and more from public opinion. He pointed out that apartheid and sanctions

had become a central theme despite efforts to shunt the issue aside.

Mr. Nzo said it was time for those who argued that sanctions would hurt blacks in South Africa and affect frontline states most to shed their hypocrisy, and that they should show confidence in the frontline leaders to deal with their own affairs. He said these states too would benefit when the apartheid regime was removed.

Asked whether he would comment on an idea proposed concerning a Commonwealth team to talk to Pretoria, Mr. Nzo said this was something that has been discussed with him, he said the phrase "contact group" had a poor taste in Southern Africa.

/9317
CSO: 3400/506

LESOTHO

FRANCE SUPPORTS COUNTRY'S STRUGGLE FOR PEACE

Maseru THE COMET in English 2 Nov 85 p 6

[Text]

THE French Ambassador to Lesotho, Mr Gerard Serre says France will support Lesotho in her struggle for creating the climate of peace, security and justice in the Southern African region to foster economic and social progress.

Presenting his credentials to Her Majesty Queen 'Mamohato in Maseru last Friday, the new Ambassador recalled that the relationship between Lesotho and France originated in the last century when dedicated Frenchmen came to Lesotho and worked hard for the good of the country in the days of King Moshoeshoe I.

Mr Serre added that since then France "has paid homage to the virtues which Basotho never ceased to practice . . . the love for freedom and a yearning for peaceful life."

He emphasised that these virtues could not fail to touch his com-

patriots as they were the very values that for nearly two centuries France has dearly defended.

He said that by cooperating with Lesotho, France is giving priority to education and energy.

In Her reply, Her Majesty Queen 'Mamohato said the Basotho are aware that France is taking the trouble to help all African countries regardless of the colonial past and also conscious of the fact that France is diversifying her relations with all developing countries.

The Queen said Basotho are particularly pleased to note the role France is trying to play in the solution of the problems of South Africa where blacks are still denied fundamental human rights.

On Lesotho's position, she added that the problems of South Africa can only be solved if that country could dismantle

apartheid, the system perceived by Lesotho as the fundamental problem which is a threat to peace not only in South Africa but to the neighbouring states.

The Queen said the Basotho were gratified by the bilateral cooperation that France is extending to Lesotho and by the fact that the Basotho and the French people are working satisfactorily side by side.

She expressed gratitude also for the bilateral cooperation that exists between the two countries and consultation that the two countries enjoy at international forum like the United Nations and the European Economic Community (EEC) and Africa, Caribbean and Pacific (ACP).

Her Majesty said Basotho were still very conscious of the Christian heritage imparted to them by the first French missionaries to come to Lesotho.

/9317

CSO: 3400/506

LESOTHO

NEW BUDGET, TAXES ANNOUNCED

Maseru THE COMET in English 2 Nov 85 p 8

[Text]

THE Minister of Finance, Mr. Peete Peete, this week on Tuesday presented a record budget for 1985/86 amounting to more than M403 million in the National Assembly in Maseru.

This is an increase of more than M76 million compared to last financial year's budget.

The Minister said in his budget speech that Government expected to have M239 million revenue an increase of M22 million over revenue collected last year.

He said of this total M161 million will be customs union revenue and the balance of M78 million will be collected from domestic revenue sources.

The Minister said the number of collection points of sales tax would be reduced considerably and that retailers will have to pay the sales tax at the wholesale outlet or at the point of import.

"This will reduce enormously the task of the Sales Tax Department and solve a major problem of tax evasions which is almost difficult to control with an excessive number

of small collection points," Mr Peete said.

The Minister said Government was greatly concerned that only few of the parastatal organisations in the country were able to make profits and that this makes it difficult for the state to benefit from its large investments.

He warned boards and managements concerned that Government could not continue to tolerate heavy burdens of subsidies of loss-making parastatals.

Mr. Peete urged Government Ministers to reduce wasteful spending and said that much expenditures were in areas of travel and transport which often fulfilled private needs other than benefit the ordinary public.

LESOTHO

REGULAR AIR SERVICE WITH SWAZILAND

Maseru THE COMET in English 19 Oct 85 p 8

[Text]

THE Royal Swazi Airways will start a regular air service between Lesotho and Swaziland on November 2 this year.

This was announced last week by the Commercial Manager of the Royal Swazi Airways, Mr Mik Macdonagh, at a reception to mark the agreement, held at the Victoria Hotel in Maseru.

This will be the first jet service operating from the newly-opened international airport at Thotamoli, 20 kilometres south of Maseru.

The Royal Swazi Airways operate the jet service with its 65-seater F28 jet aircraft on Sun-

days, in conjunction with Lesotho Airways and the Mozambican Airline, Leneas Aeres De Mozambique.

The service will operate from Swaziland's Matsapha Airport to Maseru and will also provide a straight connection to Dar-Es-Salaam in Tanzania and Nairobi in Kenya.

The Managing Director of Lesotho Airways, Mr Thabang Motsohi told the guests at the reception that with the introduction of the Royal Swazi jet service to Lesotho, the country was entering a very interesting jet phase in the history of air transportation in Lesotho.

/9317
CSO: 3400/506

LESOTHO

DROUGHT EMERGENCY DECLARED

Maseru THE COMET in English 19 Oct 85 p 1

[Text]

A state of national emergency on account of drought and famine has been declared in Lesotho.

Making the declaration last week, the Prime Minister Dr. Leabua Jonathan said that the gravity of the drought will by far surpass that of the past four seasons and the past hundred years.

"We shall be happy to receive any form of assistance whether it is on bilateral or on the multi-lateral basis," he said.

He said the drought that has gripped the country for five seasons, now, has resulted in the drying up of rivers, wells and boreholes, making it impossible for the country to do its usual winter cropping of wheat and pulses.

The winter harvest of 140,000 tons of grain represents a shortfall of 180,000 tons against this year's total national grain requirement of 320,000 tons.

COOPERATION

The Prime Minister requested the nation to cooperate fully with water saving measures taken by the Ministry of Water, Energy and Mining. "Without the necessary cooperation the results will only be detrimental to ourselves and our children," he warned.

He advised livestock farmers to reduce the number of their animals by selling some of them.

Crazing of livestock at water sources should be stopped as it will worsen an already desperate situation.

/9317
CSO: 3400/506

LIBERIA

AMOCO HAS YET TO DISCOVER OIL

Monrovia FOOTPRINTS TODAY in English 5 Nov 85 pp 12, 10

[Text] The management of the AMOCO Liberia Exploration Company has not yet been successful in discovering oil in three of its wells drilled off-shore on the coast of Liberia after months of exploration.

This was disclosed on Friday by the President and Resident Manager of the company, Mr. Roy R. Sired, in an interview with the Liberian News Agency (LINA) at his Pan African Plaza office in Monrovia.

AMOCO has already drilled wells 20 miles off-shore in Grand Cape Mount and Rivercess counties at water depths of about 1,500 feet respectively and has done about 7,500 feet of the projected 9,800 feet of another well off-shore in Grand Bassa County without discovering oil.

Mr. Sired, however, pointed out that "this should not be

taken as a sign that there is no oil, adding, "we are still encouraged by what we see, and more hopeful that there would be success in the future".

Mr. Sired who disclosed that AMOCO has spent about \$25 million on the exploration so far, said the company recognized the risks involved in oil exploration world-wide, adding, "one out of every 10 wells drilled world-wide proved successful".

The work done so far on the project, he said, has resulted in the company learning much more about geology of the area, and has contributed to AMOCO's ability to select "most promising" locations in which to drill future wells.

Mr. Sired expressed the company's continued commitment to explore for oil in the country, and said AMOCO was "optimistic" that there could be oil in the areas allotted the company.

He assured that AMOCO would continue its operations in Liberia, "until such time when the company is satisfied that the risk is too great to carry on further."

/12828

CSO: 3400/542

LIBERIA

DANISH FIRM INTRODUCING PRODUCTS TO WORLD MARKET

Monrovia FOOTPRINTS TODAY in English 5 Nov 85 p 3

[Text]

The Liberian Produce Marketing Corporation (LPMC), and the East Asiatic Company (EAC) of Denmark, have signed a sale agreement which would enable the Danish firm to introduce LPMC's products on the international market.

According to the agreement which was signed in Monrovia last week, EAC would be responsible mainly to sell LPMC's cocoa and coffee on the world market.

At the signing ceremony LPMC Managing Director, Francis Dunbar, thanked the Danish Government for its assistance to the Liberian Government and LPMC in particular.

Mr. Dunbar said that he had invited EAC to Liberia because, according to him, "the company's inter-

national reputation for marketing was unquestionable" and hoped that the company would use its international connection in exposing LPMC's produce on the world market.

In response, the Managing Director of EAC, Mr. Henning H. Sparso, said he had always been overwhelmed by the potential of LPMC, especially with its present meager resources and pledged his company's fullest support in helping LPMC overcome some of its most pressing needs, adding, "my company has always kept a soft-spot for LPMC".

In brief remarks, the Minister of State for Presidential Affairs, Dr. J. Bernard Blamo, who was present at the ceremony, noted

that any nation that does not provide adequate support for agriculture, "is not serious".

Dr. Blamo warned that "until we buggle up and do more agriculture, we will still be importing food that we should be producing in Liberia."

/12828

CSO: 3400/542

LIBERIA

PHARMACEUTICAL PLANT TO BE CONSTRUCTED

Monrovia FOOTPRINTS TODAY in English 4 Nov 85 p 3

[Text]

Construction work on a \$3 million pharmaceutical plant is expected to begin here next month, Foreign Minister T. Ernest Eastman has disclosed.

The construction of the plant, which will be located at the Monrovia Industrial Park in Gardnersville, is being undertaken by the Liberian Pharmaceutical Incorporation (LIBPHARMACO). The company will produce drugs for local consumption and possible export.

Minister Eastman made the disclosure at a dinner he tendered in honor of a three-man delegation from LIBPHARMACO head office in France.

The team recently completed feasibility studies of the drug market here.

Minister Eastman appealed to the three-

man delegation to keep up the 'momentum', and pledged government's fullest support in making the project a success.

A contract for the construction of the pharmaceutical plant was signed early this year between the National Investment Commission and the LIBPHARMACO to produce drugs here in accordance with a World Health Organization recommendation.

In a brief interview with the Liberia News Agency (LINA) shortly after the dinner, the Financial Manager of LIBPHARMACO, Mr. Claude Joly said when established, the company would employ over 60 Liberians and provide them practical training in every aspect of drug production.

/12828
CSO: 3400/542

MOZAMBIQUE

BRIEFS

FARMING EQUIPMENT FROM ZIMBABWE--Local manufacturers of agricultural implements recently provided about \$1 million worth of agricultural equipment to Mozambique which will be used during the coming rainy season. The equipment, bought with Danish aid funds, included knapsack sprays, axes, seed, pesticides, hoes, machetes, knives, ploughs, chains, scotch-carts, asbestos sheeting, paint and cement. Other items came from Denmark, according to a Danish embassy spokesman in Harare. The whole consignment was transported in 30-tonne loads by North Eastern Transport to Mukumbura, Tete and Ulongwe. The spokesman told The Gazette that a smaller range of similar goods made in Malawi is being moved into Mozambique from Blantyre. "The whole programme is worth about \$3,5 million," he said, "and we hope the equipment will be in time before the rains so that it can help Mozambique with the forthcoming crop, and make it a success given good rains." He said the operation demonstrated how assistance to a particular country could help its neighbours through use of their services and goods. "This is the first time we have conceived such a scheme, and I think it makes a lot of sense transporting equipment over such a short distance because freight costs are lowered considerably," the spokesman said. [Text] [Harare THE FINANCIAL GAZETTE in English 8 Nov 85 p 3] /9317

CSO: 3400/511

NAMIBIA

SAVIMBI: ANGOLA IS KEY TO NAMIBIA'S FUTURE

Windhoek THE WINDHOEK ADVERTISER in English 13 Nov 85 p 1

[Article by Joe Putz]

[Text] **THE ISSUE** of Namibian independence was unlikely to be solved before a resolution of the Angolan conflict, Unita leader Dr Jonas Savimbi told The Advertiser in an interview this week at his headquarters in Jamba, Angola.

"Those who are working for Namibia's independence have tried for five years with no result. Now that South Africa has domestic problems, they think it will make concessions. They are wrong! The South Africans will not negotiate from weakness," Dr Savimbi told the Advertiser.

Namibians have every right to be free under a democratically elected government, he said.

"But we do not want our friends to the south to fall into the same trap as we did.

Angola was also offered that illusion but elections never materialised."

Namibian elections would never be free as long as the communist threat

was not removed from the area.

The key issue for southern Africa was the presence of Cuban and Russians in Angola. If communist forces should defeat Unita, Russia would then be able to threaten Namibia, South Africa and Zaire, he said.

Angola is of geo-political significance

Therefore the dream of

the Namibian people of a democratic independence could not be realised as long as a Russian presence in Angola backed Swapo.

"Swapo already claims to be the sole and authentic representative. If they have Cuban backing the same will happen in Namibia as in Angola. All other parties will be squeezed out and democracy will have no chance," Dr Savimbi warned.

"Then the Russians have another base to threaten South Africa.

"I don't know whether our Namibian friends have the experience or the means to fight the sort of struggle against the communists that we are fighting in Angola.

Launching a strong appeal for American aid to Unita, Dr Savimbi said any strengthening of his organisation would put pressure on the MPLA and its communist backers to negotiate a settlement. A strengthened Unita would

buy time for Namibia to sort out its problems.

While an imminent withdrawal of the Cubans from Angola was unlikely, increased military and diplomatic pressure from the West would bring the day nearer when the MPLA would accept the necessity of democratic elections.

"We are faced with a war with Russia. You cannot be nice and hope to achieve anything through diplomatic niceties. If you are nice you're dead," Dr Savimbi said emphatically.

"We must fight and force them to the negotiating table. Only then can Angola and Namibia achieve a democratic future."

Asked whether he had any advice to Namibians, he said: "We would like to stop you from falling into the same trap we fell into.

"Swapo will not tolerate opposition as long as they have communist backing from the Russians."

/12828

CSO: 3400/526

NAMIBIA

RELEASED SWAPO PRISONERS WELCOMED IN KATUTURA

Windhoek THE WINDHOEK ADVERTISER in English 15 Nov 85 p 3

[Article by Jean Sutherland]

[Text] **AFTER THE release of 22 Swapo prisoners was announced by the Cabinet yesterday, the freed men were greeted by scenes of jubilation as they rode through Katutura in a motor cavalcade.**

The release was announced by Minister of Justice Fanuel Kozonguizi yesterday morning and the prisoners were released almost simultaneously.

Streams of children returning home from school and bystanders stopped to greet the procession, giving black power salutes and occasional shouts of 'aluta continua'.

For veteran nationalist, 67-year-old Eliaser Tuhadeleni, it was a moving experience to see children again.

"When last have I seen faces as young as these?" he asked.

There were emotional scenes as family members, old colleagues and well-wishers flocked to embrace the men when they arrived at their destination.

Mr Kaleb Tjipahura's first words were for "my fellow comrades still in prison in Windhoek and on Robben Island, people like Nelson Mandela".

"I would like to see them released as soon as possible."

Mr Tjipahura, now 44, was imprisoned when he was 25 years old and sentenced at the same time as Mr Tuhadeleni and Swapo Secretary-General Andimba Toivo ya Toivo in one of the most important political trials affecting Namibia.

Mr Tjipahura said he hadn't expected to be released, even after Mr Ya Toivo had been granted his freedom, because "I was doing life, but we always fought to be transferred to Namibia".

"I don't know why we've been released, but we will continue the struggle—we cannot rest until Namibia is free."

Mr Tjipahura said he was not interested in the Transitional Government "at all" and added that there could only be genuine peace and reconciliation if UN Res 435 was implemented and people decided on their own government.

Mr Kozonguizi said yesterday the Cabinet had taken the decision "within the spirit of national reconciliation".

The Cabinet had not addressed itself to the issue of the propriety or otherwise of the process under which the people concerned were convicted and sentenced.

"What is at stake here is that the people are associated and identified with Swapo and at this juncture against the background of the visit last year to Lusaka and other places in search of peace this is another gesture on the part of the government to further promote peace and national unity."

The full list of those released yesterday, and the year and length of their sentences, is:

● The following men were sentenced on February 9 1968 for the rest of their natural life:

Julius Israel Shilongo
Kaleb Tjipahura
Immanuel Augustus Shifidi
Simeon Shihungeleni

Petrus Kamati
Rehabeam Olavi Nambinga
Matias Elia Kanyuele
Eliaser Tuhadeleni
Rudolf Kadhikwa
Johannes Samuel Shiponeni

Abel Haluteni
Betuel Nunjango
Johannes Otto Nankudhu
Malakia Shivute Ushona

● The rest:

Yustus Festus Haita, August
1969, life

Michael Ifinqilha Moses,
April 1968, rest of natural life

Messack Victory, August
1969, life

Petrus Nangolo, November
1978, 18 years

Johannes Alfons Pandeni,
November 1978, 18 years
Ruben Itengula, January
1977, 12 years
Benjamin Chrispus Uulenga,
July 1977, 15 years
Hendrik Kariseb, October
1980, seven years

Twenty-one of the men are
former Robben Island
prisoners and were transferred
to Namibia in September.

56 Held Under Security Laws

Windhoek THE WINDHEOK ADVERTISER in English 15 Nov 85 p 3

[Text]

FIFTY-SIX people were
being held under AG 9
and AG 26, the Minister
of Justice, Mr Fanuel
Kozonguizi, said at
yesterday's press con-
ference to announce the
release of 22 political
prisoners.

"About 50 are being
held under AG 9 and six
under AG 26," he said.

Most were being held
"to appear as witnesses".

Mr Kozonguizi said the
Cabinet had finished
studying the Van Dyk
Commission and the posi-
tion of the detainees would
be reviewed in terms of the
Commission's report when
it comes out.

Talking about in-
dependence, the Minister
of Justice also said the best
solution for the people of
Namibia would be for
everyone to come together
to decide on the best

system "and I include
Swapo".

"If we have a system we
all accept that might
work," he said.

Underlining the pivotal
role of the armed forces in
African countries, he said
there was no government
in Africa whose existence
depended on votes.

"The same thing applies
here."

Mr Kozonguizi said
even if Swapo was voted
into power today they
would not be able to run
the country alone.

"All governments de-
pend on the army," he ad-
ded, referring specifically
to Mozambique and
Angola.

"Swapo would also have
to find a way to maintain
law and order, that is the
reality."

At one point the
Minister of Justice quipped
that the "people in govern-
ment now may become the
guerrillas of tomorrow".

Seven Insurgents Killed

Windhoek THE WINDHOEK ADVERTISER in English 15 Nov 85 p 3

[Text]

WINDHOEK: Security forces have returned from a limited cross-border operation into Angola in pursuit of eight Swapo insurgents who bombarded Ruacana, the SWA Territory Force said in Windhoek yesterday.

The follow-up began at first light yesterday and by afternoon the security forces had returned to base after killing seven Swapo insurgents and capturing one insurgent.

Two members of the security forces were lightly wounded by shrapnel but there were no civilian casualties in the attack on Ruacana early Wednesday morning.

The Territory Force said in a statement that the security forces had seized five AK47 rifles, 15, AK47 loaded ammunition clips, an RPG7 rocket launcher, 13 RPG7 rockets, four Meccas, a B10 recoilless canon, one B10 bomb and various other equipment. — Sapa

/12828

CSO: 3400/525

NAMIBIA

CABINET MOVES TO CLAMP DOWN ON NON-NAMIBIANS

Windhoek THE WINDHOEK ADVERTISER in English 18 Nov 85 p 1

[Text] A LAW WITH wide-ranging implications for non-Namibians was passed, without any opposition, through all its phases in the National Assembly on Friday.

It provides for the deportation of people from Namibia and restricts the right of certain people to remain or stay in the Territory and also seeks to prohibit the employment of people without valid residence permits.

The Bill, the Resident of Certain Persons in South West Africa Regulation Bill, was handed in by the Minister of Local Authorities and Civic Affairs, Mr Hans Diergaardt.

In terms of the Bill, people who intend staying in Namibia longer than 30 days will require a permit from the Secretary of Civic Affairs and Manpower.

This means that those tourists, from both South Africa and overseas, wanting to stay for longer periods will also be affected.

People born in Namibia, people permanently resident in Namibia immediately before the law becomes effective, people

employed by government departments and members of the Security Forces will not require permits.

Permits will not be issued to people who are considered "likely to be detrimental to the welfare of the Territory or its inhabitants" or where a person falls into a job category for which there are sufficient people available in Namibia; while people who are believed to endanger the security of the Territory or the maintenance of law and order can be expelled.

Although a Cabinet Minister told The Advertiser earlier that the law was not formulated for "ominous political reasons", Mr Diergaardt indicated otherwise in the National Assembly on Friday.

It was essential, the Minister of Civic Affairs said, to prevent "undesirable people from entering the Territory" or,

if already here, to force them to leave.

"The reason for this is that there are those that arbitrarily misuse the freedom of movement between the Republic and SWA/Namibia to meddle in local politics—to such a degree that it arouses hostility between different population groups, which in turn leads to public order being endangered."

/12828

CSO: 3400/525

NAMIBIA

VOICE OF NAMIBIA COMMENTS ON PLAN OPERATIONS

EA181152 Dar es Salaam Voice of Namibia in English 1830 GMT 15 Nov 85

[Richard (Manyando) commentary]

[Text] Good evening listeners, countrymen, and combatants of the People's Liberation Army of Namibia--PLAN--and welcome to our program. You are tuned to the Voice of Namibia transmitting from Dar es Salaam. In tonight's program we comment on the independence question of Namibia and its solution. The same commentary will come to you in (Oshiwambo) and (Lozi) respectively and be presented to you by yours in the struggle, Comrade Richard (Manyando), after an interlude of a freedom song. [song]

[(Manyando)] As the struggle for national liberation, increasingly being mounted, primarily carried out by the combatants of the Peoples Liberation Army of Namibia, PLAN, against the illegal occupation of our country by South Africa, the daily contact between our heroic forces and racist Africa is not reported by the regime itself. [sentence as heard] However, it goes without saying that the regime would not report everyday battles in which heavy casualties, both in men and material, are inflicted on its demoralized army. All these days witnessed intensified and expanded military operations of the combatants of the People's Liberation Army of Namibia, PLAN, deep inside Namibia despite the enemy's unfounded claim of having broken the backbone of the Peoples Liberation Army of Namibia, PLAN, SWAPO's military wing.

Major attacks have been launched against enemy concentrations, military complexes, convoys, communication equipment, road and rail system. It is these daily military achievements from our heroic combatants against an enemy considering itself as the strongest fascist military machine in Africa, that brought the Pretoria warlords in the state of panic and confusion without knowing what to do.

Today the morale of the enemy troops is growing worse than ever. Of course the major reason is that they are dying for nothing. They are fighting against an unjust war wherein having nothing to win but everything to lose. [sentence as heard] That is why one can easily take a note on the current situation itself, especially among the white population both in Namibia and South Africa itself. One could clearly see that they had completely lost their confidence in the facist Pretoria white minority regime. All this came into being as a

result of the intensified war for national liberation in Namibia, as well as in South Africa itself, against the arrogant and intransigent Pretoria Boer regime.

To this end, the Pretoria ruling clique shamelessly and cowardly is still announcing that she will step up a majority and total war against the combatants of plan because of what it claims that SWAPO forces are today using sophisticated weapons and are being supported by FAPLA [People's Armed Forces for the Liberation of Angola] forces in Angola. Of course Pretoria is trying to feed the world with misinformation, so that it could be easy for her to continue with its unprovoked and barbaric attacks against the friendly and sovereign state of Angola. It is therefore imperative to note that this fact demonstrates once more the last kick of a dying horse, because such particular situation--the illegal occupation of our country by the fascist regime of Pretoria--can only come to its end through the barrel of the gun.

The people of Namibia, under their revolutionary vanguard movement, SWAPO of Namibia, will fight the war which is forced upon them by the illegal and arrogant Pretoria regime, which is denying the Namibian people their right, their birthright to self-determination, until Namibia is totally liberated. However, we once again make it clear to the racist Boer troops that the combatants of the People's Liberation Army of Namibia, PLAN, will continue to intensify their armed attacks against enemy positions wherever they are and [words indistinct], and they will continue to deliver powerful blows against the racist occupation military forces until Namibia is genuinely independent and free.

Everything for the struggle and all for final victory.

/8918

CSO: 3400/514

NAMIBIA

SCIENTISTS PROTEST BAN ON NAMIBIAN ARCHAEOLOGISTS

Windhoek THE WINDHOEK ADVERTISER in English 18 Nov 85 p 1

[Text]

NAMIBIAN SCIENTISTS and politicians have hit out at a ban excluding local and South African archaeologists from the 11th World Archaeological Congress in London.

The Deputy Minister of Education, Mr Piet Junius, described the move by the International Union of Prehistoric and Protohistoric Sciences (IUPPS) as a "sad mistake".

"It's time that international organisations differentiate between us and South Africa," Mr Junius said.

Reacting to the decision to exclude Namibians, the chief of the Museum in Windhoek, Mr Neels Coetzee described the ban as "tragic".

"We feel very strongly that scientists should not be involved with politics. In any event we are Namibians and should not be included with South

Africa," Mr Coetzee told The Advertiser.

A paper written by a curator for archaeology, Mr Leon Jacobson, was to have been read on his behalf at the congress.

In a letter the IUPPS informed Mr Jacobson that the decision to exclude him from the congress to be held next year "reflects the policy of numerous organisations who call for a total academic boycott of South Africa and

Namibia."

The Johannesburg-based Star newspaper at the weekend said the ban had led "to a howl of indignation by the world archaeological community".

One of South Africa's top scientists Prof Phillip Tobias of Wits University, was quoted as saying that this was the first time to his knowledge that scientists had taken a decision to ban fellow scholars.

/12828

CSO: 3400/525

NIGERIA

COMMENTARY ON DECISION TO JOIN COMMONWEALTH CONTACT GROUP

AB221516 Lagos International Service in English 0830 GMT 22 Nov 85

[Imam Ahigbe commentary]

[Text] The setting up of the contact group is one of the compromise resolutions reached at the Bahamas conference. The intention is to enter into dialogue with the apartheid overlords with the view to bringing desirable changes in the racist enclave. Nigeria, on her part, decided then not to participate in the group for a number of valid reasons. In the first place, at a news conference in Nassau, Nigeria's Commodore Ubitu Ukiwe made it clear that his country was not pleased with the compromise resolutions and that the country still stood by the demand for the imposition of total sanctions against the racists.

It is the belief of Nigeria that no one can help to positively influence the racist clique through dialogue since dialogue with South Africa has never proved successful. And in any case, the resolution to give South Africa a period of 6 months during which it will effect changes in the apartheid system is unrealistic as the racists will not effect any change. Instead, it will only give the racist clique time to strengthen the apartheid policy. In essence, Nigeria was not convinced that the package of sanctions agreed upon at the Bahamas conference will have any real effect in dismantling the apartheid system. Besides, the country never believed in any kid glove treatment of the apartheid regime.

Now, the question may be asked why Nigeria has decided to accept membership of the contact group after the initial withdrawal. Nigeria's minister of external affairs, Professor Bolaji Akinyemi's explanation answers this question. He explained that leaders of the Frontline States such as President Kenneth Kaunda of Zambia, and Prime Minister Robert Mugabe of Zimbabwe, as well as other respectable African statesmen such as former Tanzanian leader, Dr Nyerere, had sent special message to President Ibrahim Babangida asking him for reconsideration of Nigeria's position. Obviously, there are those who may regard Nigeria's changing of heart as a shift in policy or inconsistency in policy-making. But this is not correct. The truth of the matter is that Nigeria, as a leading crusader in the fight against apartheid, has not failed to identify with the Frontline States and their

desire to liberate blacks in South Africa. Anyhow, since the Frontline States have borne the primary responsibility for the liberation struggle and since they have expressed their desire to have Nigeria participate in order that African interests may be protected, Nigeria's decision to serve on the contact group is a wise one. Her choice of the former head of state, retired Lieutenant General Olusengun Obasanjo, is a clear demonstration of Nigeria's preparedness to ensure that the contact group achieves its goal. Gen Obasanjo's stand on the question of apartheid is very clear to all.

The present military administration in Nigeria still very much believes in the imposition of total sanctions on apartheid South Africa. The impression that severe sanctions will begin hardship on the Africans in South Africa and on the Frontline States does not hold water at all. After all, millions of Africans in South Africa have been under untold hardships and deprivation in the hands of the racist regime over the years. Their main pursuit, which is a legitimate one, is the establishment of a civilized and truly democratic system of government in their country, and the people have made it clear that they are prepared to suffer even more to obtain the desired goal. If so, the leaders of the Frontline States have come up with a strong reaffirmation of their support for the imposition of comprehensive sanctions against South Africa.

What is being stressed here is that although Nigeria has decided to participate in the Commonwealth contact group, this does not erode her strong belief in the use of economic weapons to dismantle the racist regime. Pretoria does not believe in peace. She has never been known to respect any views different from its own. The situation in South Africa is (?rotten) and is bound to get worse. To achieve victory for the oppressed black majority in South Africa goes beyond mere consultations; what is required is a concerted effort of the international community to ensure the total liberation of the blacks in South Africa from the clutches of the apartheid regime.

/6662

CSO: 3400/520

NIGERIA

NEW SECURITY MEASURES ESTABLISHED AT AIRPORT

Lagos DAILY TIMES in English 8 Nov 85 p 2

[Text]

SECURITY measures have been set up at the Murtala Mohammed Airport on Nigeria Airways planes and crew on international flights.

This came sequel to recent events involving drug and currency finds on the airlines planes and intending passenger.

Customs and Excise area administrator at the Murtala Mohammed International Airport Alhaji Abubakar Atiku said yesterday that there were reports that crew members of the Nigeria Airways use their positions to engage in currency and drug trafficking.

Alhaji Atiku said it was gathered that crew members use other operational staff such as cleaners and drivers in their unscrupulous act.

Consequently the customs boss said measures such as pre-embarkment rummaging of Nigeria Airways planes had been set up while security

men kept vigil to avoid smuggling of suspicious matter on-board.

Series of other measures, Alhaji Atiku said has been devised to save the country from international ridicule which could be incurred if the national carrier was allowed to be use for such activities by some staff.

It will be recalled that a few weeks ago ten Nigerian Airways cabin crew were questioned over the discovery of a parcel of weeds suspected to be Indian hemp on board a London bound DC10 belonging to the airline.

Also last Wednesday, and intending passenger of the airline was found with over 2,000 pounds sterling concealed in his sandal.

NIGERIA

TEN TRADE UNIONS REJECT SALARY CUTS

Kano THE TRIUMPH in English 13 Nov 85 p 11

[Article by Farouk Adamu]

[Text]

TEN Nigerian trade unions in the public sector have rejected the recent cut in the salaries of public servants, as announced by the Federal military Government.

In a release signed by representatives of the trade unions they stated that Nigerian workers have always been disposed to making sacrifices for the good of this nation. They went further to cite the issues of mass retrenchments and premature retirements to buttress their claims.

The trade unions also stated that to make things worse for the Nigerian wage earners, promotions and acting appointments have in the past three years been frozen in the public service "whereas promotions, acting appointments including increases in salaries have continued in the armed forces and police."

In the circumstances, they further opined, the unions have no alterna-

tive but to reject the purported circular on cuts in salaries of public service employees recently issued.

The workers' representatives also observed that while the cut in salaries of members of the armed forces was agreed upon after consultations with all the appropriate organs, labour unions in the pub-

lic service were neither contacted for negotiation nor consulted before workers salaries were slashed.

The unions therefore made a three-point demand on the secretary to the Federal Government and Head of Civil Service to revoke and withdraw without delay, the purported circular on salary cut in the interest of public service employees.

They also called for the immediate convening of an urgent meeting with all the unions in the public service and representatives of governments to consider any proposed measures by government on the issue.

Suspend all contemplated retranchments in the public services especially in the ministries, the Nigeria Airport Authorities, Nigeria Television Authority, Nigerian Telecommunications Limited, Nigeria Ports Authority, universities, educational institutions and local governments etc.

Finally, the unions called on all employees in the Federal and state public services to be on the alert and await further directives.

Labour unions present at the meeting were, the

National Union of Electricity and Gas Workers; Nigerian Union of Railwaymen; Nigeria Civil Service Union, Printing and Publishing Workers Union; National Association of Nigeria Nurses and Midwives; Civil Service Typists, Stenographers and Allied Staff; Medical and Health Workers Union of Nigeria; Nigeria Ports Authority Workers Union and the Customs, Exercise and Immigration Staff Union.

/12828

CSO: 3400/522

NIGERIA

PANEL CHAIRMAN ABOYANDE ENDORSES COUNTER TRADE

Kano THE TRIUMPH in English 14 Nov 85 pp 1, 16

[Article by Leke Salau]

[Text]

THE practice of counter-trade introduced by the ousted Buhari administration has been described as "a phenomenon which this country cannot afford to ignore."

But for Nigeria to participate fully in this type of trade, it needs professionalism to handle its more coherent policy.

The chairman of the Counter-trade Committee, Professor Ojetanji Aboyande, told State House correspondent in Lagos yesterday shortly after the panel had submitted its report to President Ibrahim Babangida at Dodan Barracks.

According to Professor Aboyande, though counter-trade was an instrument of international trade, relation with any country like Nigeria could not be ignored but at the moment this country was not yet equipped to participate in it, he said.

While receiving the report, President Babangida said the Armed Forces Ruling Council would act promptly on the report of the committee, because it was

vital for decision making.

In reference to a point earlier raised by Professor Aboyade, President Babangida promised that the report of the panel would not be left to rust away on the bureaucratic shelves.

The President told the panel that there was no need for them to apologise for submitting their reports one week behind schedule.

He said the work of their panel was a help towards revamping our economy.

Professor Aboyade informed the president their report contained their unanimous thoughts in accordance with the committee's term of reference. As such the chairman explained that they would

accept responsibility for any short comings in the report.

Members of the committee are:— Mr. Hayford Alile, Col. Lawrence Uwumarogie, Miss Barbara Erokwu and Mr. Rasheed Gbadamosi. Dr. Chris Chima was the secretary of the panel.

/12828

CSO: 3400/522

NIGERIA

BRIEFS

PAPERS CONGRATULATE REAGAN, GORBACHEV--The NEW NIGERIAN and the NATIONAL CONCORD comment on last week's summit between the U.S. President, Ronald Reagan, and the Soviet leader, Mikhail Gorbachev. The papers are pleased that the two leaders agreed to speed up the ongoing nuclear and space arms limitation talks. They believe the meeting will go a long way in ensuring closer relations between the superpowers and bring about the much needed world peace. According to the NEW NIGERIAN, the world will certainly be free of threats if the development and stockpiling of nuclear and conventional weaponry by the superpowers is stopped. The CONCORD, on its part, draws attention to the increasing purchase of arms and the growing presence of foreign military personnel in developing countries. It notes that between 1980 and 1983, for instance, African countries spent about 1.8 billion naira on arms alone at the very time thousands of their people were dying of hunger and disease. While congratulating Ronald Reagan and Mikhail Gorbachev for their effort, the CONCORD submits that the time has come for a broader discussion involving the leaders of all nations whose people are affected by decisions made at the talks. [From the Press Review] [Text] [Lagos International Service in English 0830 GMT 26 Nov 85 AB] /6662

ECONOMIC EMERGENCY DECREE REGULATIONS--Rule governing various forms of deduction from workers' salaries have been suspended for the period of the state of economic emergency. One of the rules requires the consent of workers before deduction can be effective in their salaries. Another rule is that total deduction from the pay of a worker should not exceed one-third of his salary for the month. The suspension of this rule is contained in the National Economic Emergency Power Decree which also gives the president powers to make regulations for the purpose of revamping and stimulating the national economy. Among other things, the president can make regulations for the operation of public and private companies to improve and generally assist in revamping the economy. He is also authorized to introduce measures that may assist in the conservation of foreign exchange, reduce inflation and unemployment, as well as encourage and stimulate interest in locally manufactured goods. The decree is contained in an extraordinary gazette issued today. The state of national economic emergency, which took effect from last month, will last until December 1986. [Text] [Lagos Domestic Service in English 1500 GMT 21 Nov 85 AB] /6662

CSO: 3400/520

SOMALIA

PRE-BUILT POLITICAL SCIENCE FACULTY AGREEMENT SIGNED

Mogadiscio HEEGAN in English 8 Nov 85 p 2

[Text]

Mogadishu, Thursday
The Chairman of the Party Bureau for Scientific Research and Orientation, Jaalle Yussuf Ibrahim Ali «Aburas» and the Chinese Ambassador to Somalia, H.E. Huang Shi-Kun signed this week at the Political Science Faculty here an agreement on the handing over of the faculty's management to the Somali Government.

The Chairman and the Chinese Ambassador exchanged speeches on the friendly cooperation between the two countries at a ceremony for the occasion held at the faculty, and attended by the Chairman of the Party Bureau for Organization and Mobilization, Jaalle Abdjirisaq Mahmoud Abubakar, honourable members of the Party Central Committee and People's Assembly and the Chinese technicians who built the faculty.

In a statement at the ceremony, Jaalle Yussuf Ibrahim Ali said that the establishment of the Political Science Faculty was in line with the concept laid down by the Secretary General of SRSP, Jaalle Mohamed Siad Barre, after he had seen that there was a need for well-trained and qualified Party cadres and consequently the two parties, the SRSP and the Chinese Communies Party, made an agreement on 18.4.1978 on the construction of the faculty.

The Chairman stated that the construction of the Political Science Faculty was a symbol of the centuries-old friendly cooperation between Somalia and China which was ever-growing. He added that the Somali Government and people would never forget the unreserved participation of the Chinese Government in Somalia's development projects.

Also speaking on the occasion was the Chinese Ambassador to Somalia, Comrade Huang Shi-Kun who said that the construction of the Political Institute of the Somali Revolutionary Socialist Party has all along enjoyed warm concern and support from his Excellency President Siad Barre as well as the Central Committee of the Party and the Ministries concerned in the government. On July 1st, 1983 President Siad Barre personally laid the foundation stone for the project and came to the work site on many occasions since then to inspect and give guidance on the construction.

The history of the friendly relations between the peoples of China and Somalia goes back to many centuries. More than five hundred years ago, a well-known Chinese navigator called Zheng He, led his large fleet of ships to Somalia for trade and friendship. Ever since the establishment of diplomatic relations between China and Somalia in 1963, new and effective cooperations have been carried out by the two governments and peoples in various fields like political affairs, economy, technology and culture. For

more than 20 years, China and Somalia have cooperated in the construction of many projects in Somalia concerning agriculture, industry, irrigation, electric power, water well drilling, water supply, highways, bridges, hospital, and sports and culture. All these projects have played a positive role in enhancing the material and cultural life of the Somali people. The Political Institute handed over here

today, bears the challenging responsibility of training many qualified Party and government officials for Somalia. I am sure she will successfully fulfill this task in years to come.

The anniversary of the October 21st, Revolution this year also witnessed the completion and handing over of the Fanole Rice Mill which has a processing capacity of 150 tons of rice per day and was constructed with economic aid of the Chinese Government, and the Afgoy-Bajdo Road and the Dudubly offstream project which were constructed by the Chinese contract companies. The completion and handing over of these projects shows that the colourful flows of economic and techni-

cal cooperation between China and Somalia, have continued to bear out richfruits of friendship.

The Chinese Party, Government and people treasure very much the friendly relations with Somalia. I'm firmly convinced that, under the concern from the leaders of both of our parties and countries, the economic and technical cooperation between our two countries will become wider and wider, and the friendship between our two people, deeper and deeper.

/12828

CSO: 3400/543

SOMALIA

ECONOMIC REFORM PLAN PRAISED

Mogadiscio HEEGAN in English 8 Nov 85 p 2

[Editorial: ECONOMIC CRUSADE]

[Text]

The recent government efforts and initiatives for economic development inches to success. During its existence, the revolutionary government has made very possible effort to serve for the interests of the Somali People in times of distress. Keeping in mind the social welfare of the nation, the revolution has managed many different crises on perillous occasions. In each time the nature of the problem and the interest of the Somali people were given special consideration.

Amid of an ailing economy, compounded with many other adverse conditions, the Somali government has recently announced a dramatic economic reformation aimed at curbing economic stagnation, sky—hiking inflation and dependence on foreign debt.

New marketing prices were fixed for locally—grown staple foods such as maize and millet in an effort to motivate investors and peasants. Consequently, the last harvest season showed 30% increase over the previous years. Thanks God, for the new marketing prices, that farmers who previously avoided cultivating maize and millet or used to sell their crops in the black—market, now voluntrily rush their goods to the nearest agricultural development corporation premises to sell their crops at exceptionally high prices.

To encourage the private sector local businessmen were offered the necessary incentives and urged to invest heavily in the industrial, agricultural, fishing and livestock sectors to boost the national economy. The government reiterated that the country is not poor because it lacks the necessary resources, but people are either too ignorant to exploit the abundant natural resources or unwilling to take the pains of toiling and tilling their rich land.

It is surprising that some entrepreneurs do not respond positively to the government invitation to invest in the different economic sectors with high incentives from the government. Let it be known to all that the task of feeding the nation and enhancing the national economy rests on the shoulders of every Somali citizen and nothing could be more rewarding than fully participating in our country's national construction and enriching oneself at the same time. National reconstruction with no malice to none!

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CSO: 3400/543

SOMALIA

ITALIAN TECHNICAL COOPERATION REPORTED

Mogadiscio HEEGAN in English 8 Nov 85 p 5

[Text]

A course on Computer Use for Management was concluded at SIDAM on 3 November, 1985, and a second course on the same subject is currently in progress.

The first batch of trainees were awarded attendance certificates. On this occasion, Jaalle Ibrahim M. Abyan, President of SIDAM, gave a short speech which we summarize here:

"This course of two months' duration is significant in the history of our country's scientific-managerial development: this is because the nature of the subject supports its introduction to this country.

The first computer ever to come to Somalia

was the one assigned to the Planning Ministry, in the early Seventies, for the purpose of a population census as well as assessing the country's animal wealth. Perhaps the first training programme ever conducted in Somalia was in connection with this project. However, the idea did not make great headway, and eventually faded away.

The second pioneering effort was initiated by SIDAM with the assistance of Italian Technical Cooperation, represented by COTECNO of Rome, which has also sponsored the 1985 course. With COTECNO resources the first computer training laboratory was established at SIDAM in 1983. This enabled the

Institute to undertake some computer training ac-

tivities every summer with the assistance of COTECNO experts.

Another computer Workshop has also been established at SIDAM as an essential component of the managerial training resource used by the SIDAM/Fresno Project. Hence, thanks to Italian Technical Cooperation and the World Bank, SIDAM is playing a pioneering role in introducing computer technology to Somalia.

This is an historical time when we have realized the dire need for sound data collection and use. It is unfortunate that our present decision making processes — be it in the area of policy-making or administration in both the public and the private sector — are based on common sense alone.

It is our view that a lot of mistakes in our socioeconomic endeavours are the result of the absence of accurate information. Therefore the introduction of computer techno-

logy to our culture can have a decisive impact on the generation of viable socioeconomic growth. In this perspective, we attach special significance to the promotion of computer science and applications. It is our pride here in SIDAM that we are pioneering the establishment of the first «task forces» for this arena.

Therefore today, on behalf of our national aspirations, we wish to express our special gratitude to Italian Technical Cooperation for providing the primary inputs towards this goal. It is our hope Italian-Somali cooperation in this field will continue on a more systematic and expanded basis.»

SOMALIA

MARINE RESOURCES MINISTER ON FISHING DEVELOPMENT

Mogadiscio HEEGAN in English 8 Nov 85 p 2

[Text]

Mogadishu, Thursday
The Minister of Fisheries and Marine Resources, Jaalle Adan Mohamed Ali, has on Sunday called on Somali entrepreneurs and communities having access to the seashore to mobilise their resources in harnessing the wealth lying beneath the seas of the country.

Jaalle Adan, who was commenting on a recent Presidential circular letter on the full participation in the production of fish said the letter envisaged that government economic institutions turn toward the sea.

The Minister pointed out that the annual production capacity of fish

was 200,000 tons of different kinds. «1986 budgets for coastal regions should be based on fishing programmes», he quoted the circular letter as saying.

Jaalle Adan emphasised that, to make the venture a success, the well-to-do people ought to import fishing boats and equipment and establish companies and cooperatives of their own.

The Minister said the crusade in the fishing sector could have such benefits like expanded national economy, extra income, the appearance of professionals in fishing and labour sources.

/12828

CSO: 3400/543

SOUTH AFRICA

ANC GETTING INCREASED RECOGNITION ABROAD

Johannesburg THE CITIZEN in English 16 Nov 85 p 5

[Text]

THE amount of recognition the African National Congress (ANC) enjoys overseas as a creditable political organisation is growing, an expert witness told the Rand Supreme Court yesterday.

Professor John Barratt, the director-general of the SA Institute of International Affairs testified before Mr Justice L W H Ackermann prior to the passing of sentence on Joseph Leepile (26) and Justice Ngidi (31). They have admitted to being members of the ANC and to receiving military training.

The two were found guilty of treason on Tuesday.

Prof Barratt said the ANC's headquarters are in Zambia and the organisation has 21 other offices, 10 of them in Western countries. These are: Australia, Belgium, Canada, Denmark, France, Italy, Sweden, the United Kingdom, the USA and West Germany.

Although Britain and the USA refuse to talk to the ANC they have said South Africa should be negotiating with the organisation, he said.

The ANC receives so many invitations to address institutions that it cannot respond to them all, he said.

Although the Palestine Liberation Organisation (PLO) has stronger support and has been recognised formally more often than the ANC, it gets a more mixed reaction because it is seen to be a terrorist organisation. The ANC has a more respectable image abroad, he said.

The Pretoria car bomb in 1983 was criticised abroad, but this does not seem to have affected the upswing in the ANC's respectability, he said.

Britain refuses to talk to the PLO, ANC and the military wing of the Irish Republican Army because all three use violence.

Prof Barratt said the three have a wide degree of contact at international meetings but seem to have their own aims and tactics.

Dr Tom Lodge, senior lecturer in political studies at Wits, said an ANC magazine made "questionable generalisation". For instance, it misled by associating the ANC with school boycotts and implied a greater sphere of influence than it has, he said.

Dr Lodge said it is possible for trained ANC members who are sent to South Africa on a mission to leave the ANC without completing the mission but that this would be a risk.

"The ANC has an attitude towards people who defect and have on occasion attacked them," he said.

Other witnesses will be called in mitigation on Tuesday.

/9317

CSO: 3400/505

SOUTH AFRICA

PRESIDENT'S COUNCIL PROPOSES STRATEGY TO OPEN ECONOMY TO ALL RACES

Major Document Described

Johannesburg THE CITIZEN in English 21 Nov 85 p 15

[Article by Brian Stuart]

[Text]

CAPE TOWN. — In a major document calling for a total overhaul of the country's trade and business licensing procedures and regulations, the Economic Affairs Committee of the President's Council has set out a strategy to open the economy to all races.

The stated aim is to create more jobs and generate greater income, which the committee sees as especially necessary in the present economic circumstances.

"My honest view is that constitutional reform in South Africa is only meaningful if it rests on the free market principles," Dr Piet Koornhof, chairman of the President's Council, told a Press conference.

"One of the chief aims of this report is to ensure a greater participation by all people of all population groups in the free market system."

As an overriding consideration in opening the economy to all, the committee has called for what it described as "equivalence for all businessmen".

"The committee emphasises that it supports the principle of full and free participation in economic activity by all population groups," the committee said in its report, tabled in the President's Council yesterday.

To achieve this it has recommended the removal of restrictions based on race as well as the simplification and standardisation of licensing procedures and business regulations throughout the country.

While recognising that the Government has already changed section 19 of the Group Areas Act to allow for the opening of Central Business

Districts, it recommends that "all premises zoned for business premises and equally . . . all industrial

premises" should be open to all.

The report stresses the enormous role which the small business sector plays in South Africa as a generator of income and creator of employment opportunities.

The committee found that too many laws inhibit or prevent Blacks or other population groups from participating freely in the economy, and the small business sector in particular.

Its strategy to open trade and business to all includes four important recommendations:

● A committee of Government (constitutional development and planning) and private sector experts to examine "as a matter of urgency" the amendment or repeal of measures that impose economic discrimination, including the Group Areas Act, Community Development Act and Black Urban Areas Act.

The committee also endorsed the abolition of influx control;

- A Government and private sector body under the wing of the National Manpower Committee to simplify and standardise licensing procedures and trading regulations in all four provinces;

- The Competition Board should monitor existing or proposed new legislation to ensure that "deregulation" in fact takes place;

- Wide powers for the State President to suspend or ease the opera-

tion of any legislation or procedures affecting small businesses.

The Economic Affairs Committee also recommended that the council for the promotion of small business should be abolished and replaced by a new organisation, to be known as the Council for Small Business as an autonomous, statutory board financed through the Department of Trade and Industry.

Its function would be to advise the Government on small business development policy, co-ordi-

nate that policy, allocate funds for small business development and advise the Competition Board in its task of deregulating existing and proposed legislation.

The report recognises a substantial role played by the informal or "illegal" business sector in job creation, and mentioned pirate taxis in particular.

The committee wants a situation of tolerance towards these trades and industries, with encouragement for them to join the formal small business sector under a nondiscriminatory and simplified system of licensing.

'Restrictive Measures Must Be Abolished'

Johannesburg THE CITIZEN in English 21 Nov 85 p 15

[Text]

CAPE TOWN. — Cumbersome legislation, unnecessarily high standards, endless red tape and racially discriminatory practices must go, in order to open the economy to all South Africans.

In making this statement Dr Francois Jacobsz, chairman of the Economic Affairs Committee of the President's Council, said a large number of legislative measures applied solely to Blacks, Coloureds or Indians, and these were both discriminatory and restrictive.

The key to economic growth in South Africa was the active promotion of the small business sector. This meant abolishing laws, regulations and administrative practices which hampered economic development and the small businessman in particular.

"If there is one sector with great growth potential, it is this sector", Dr Jacobsz said at a Press conference on his committee's "Strategy for small business development", tabled in the President's Council yesterday.

Asked by The Citizen how he saw the role of the informal or "illegal" sector, Dr Jacobsz said he believed the approach should be one of "hands off".

For people faced with unemployment in the formal sector, the informal sector often offered employment opportunities and, therefore, an income.

The policy had to be geared to encouraging the informal sector to become "legitimate" — to enter the small business world. But it could not do so while unrealistic standards were set or cumber-

some licensing machinery made it virtually impossible.

"I do believe there must not be any persecution of people in the informal sector. We do not want inspectors riding round making life difficult for them.

"We need those jobs and people need that income.

"Admittedly this is a grey area when it comes to law. But what we are saying is that existing regulations make it difficult for people to go into the formal sector.

"It is far better to encourage them to get into the formal sector with all the new avenues for development and services which this would open for them."

The report estimates this informal sector to account for between 16 per-

cent and 20 percent of South Africa's labour force, compared with 69 percent employed in the formal sector.

Apart from illustrating that there was a large-scale informal sector in South Africa, it appeared to show that many people obtained employment in the informal sector as a result of the lack of alternatives.

With about 2 000 000 people already in the informal sector, it was growing very rapidly in terms of the number of people employed in it.

"For most operators in this sector, this is probably not so much a dynamic response to new opportunities, as an attempt to make a living while formal sector op-

portunities, become relatively scarcer", said the report.

"The inability of the formal economy to provide a living for the full labour force is likely to continue for at least the medium-term future.

"Insofar as the informal sector eases the burden of poverty of a large part of the population without formal sector jobs, it is making a valuable contribution and will probably have to play an increasingly important role."

The committee added: "Entrepreneurial talent in the informal sector should be nurtured and encouraged, in order to facilitate a larger contribution to future growth and prosperity.

Committee Wants Laws Revised

Johannesburg THE CITIZEN in English 21 nov 85 p 15

[Text]

CAPE TOWN. — A huge mass of regulations and red tape make it almost impossible for a one-man business to get off the ground as a "legal" operation, according to a report of the Economic Affairs Committee of the President's Council.

The report gives details of some of the requirements which, it says, must be re-examined and simplified, as well as being stated in plain language that the ordinary man can understand.

For example, says the report, if you wish to become a hawker in the Transvaal you have to satisfy procedures laid down in Ordinance 19 of 1974.

"The applicant must place an advertisement in the Press in both official languages, he must pay an application fee of R10, his application must go to the police, the health authorities, the Town Engineer, the Traffic authorities and the Fire Department.

"And, if the licence is awarded, he must pay a licensing fee which may vary from R20 to R50.

"The total cost related to obtaining a hawker's licence for one year can be up to R150 — and the whole procedure must be repeated the following year."

That is in the Transvaal. In the Cape Peninsula, a hawker selling fruit in the streets "must

have at his disposal a building with the necessary air-conditioning" before he will be given a licence.

"Based on evidence, it is further evident that the way in which laws and regulations are applied by the actions of some officials and the way in which they exercise their authority and discretion often causes more problems than the laws and regulations," says the report.

Result: The Economic Affairs Committee wants these and other laws and restrictions revised, simplified, pared to a minimum, standardised and presented to the public in simple language.

Proposal To Issue 'Small Business Bonds'

JPRS-SSA-85-126
20 December 1985

Johannesburg THE CITIZEN in English 21 Nov 85 p 15

[Text]

CAPE TOWN. — The Small Business Development Corporation should be empowered to issue bonds to private and institutional investors, the Economic Affairs Committee of the President's Council recommends.

Small Business Development Bonds should qualify for inclusion in the prescribed investment portfolios of financial institutions.

It is also recommended that the bank indemnity scheme of the SBDC be replaced by a fund whose capital should be raised through public and private sector contributions.

Credit guarantees provided by the fund would be used as a substitute for the collateral normally required by financial institutions.

Behind the proposal is the belief that small business is restricted by a lack of long-term finance because it does not have access to the capital market.

Another proposal is that the Decentralisation Board, when evaluating applications for assistance, should consider possible disruptive effects which the granting of incentives might have on the competitiveness of existing small industries at development points.

/9317
CSO: 3400/503

SOUTH AFRICA

SURVEY FINDS WHITES BELIEVE POWER SHARING INEVITABLE

Johannesburg THE CITIZEN in English 26 Nov 85 p 10

[Article by Eric Larsen]

[Text]

THE majority of White voters believe power-sharing with Blacks is inevitable, according to an opinion poll carried out for an Afrikaans Sunday newspaper.

The poll, conducted by Mark en Meningsopnames (Pty) Ltd in October for Rapport asked respondents: "Do you think power-sharing with Blacks is inevitable?"

● 67,3 percent replied "yes", 14,9 percent "no", and 17,8 percent were uncertain;

● 59,1 percent of Afrikaner respondents see power-sharing as inevitable, while 20,5 percent believe it can be stopped and 20,4 percent are uncertain; and

● 81,6 percent of English-speaking respondents believe power-sharing with Blacks is unavoidable, five percent said "no", and the rest were uncertain.

Inevitable

According to the poll, 70 percent of National Party (NP) supporters believe power-sharing is inevitable, as do 95 percent of PFP supporters. Forty

one percent of Conservative Party supporters think it is inevitable and 44 percent of HNP supporters agree.

The "yes" vote was the highest in Natal (77 percent) and the lowest in the Orange Free State (58 percent).

The poll was unable to distinguish any meaningful differences between various age groups, but it found that 72 percent of men, opposed to 63 percent of women, view power-sharing as unstoppable.

Participants in the country-wide opinion poll were also asked to briefly explain what they understood by "power-sharing with Blacks in South Africa". Their answers were:

● Admittance to Parliament . . . Also a say in the country's affairs — 24 percent;

● Fourth House . . . Say over own affairs and joint say over general affairs — 19 percent;

● Equal rights . . . The same political rights — 17 percent;

● One man, one vote — 10 percent;

● Limited power to Blacks — 6 percent; and

● Federation — 6 percent.

Furthermore, the opinion poll has found that the Government and Black leaders must negotiate over South Africa's political future. The majority of the White electorate were in favour of such negotiations.

The country-wide survey also found that:

● 54 percent of the respondents were in favour of the Government negotiating with Black leaders;

● 25 percent believe that a special body must be formed for these negotiations.

"It would thus appear that the majority of White voters are not in favour of a National Convention," the survey found.

The poll established that about 54 percent of Afrikaners and more than 53 percent of English-speakers believe that negotiations must involve the Government and Black leaders.

Among PFP-supporters, 45 percent are in favour of this type of negotiation, 21 percent want a special body for this purpose and 31 percent preferred other methods.

On the issue of apartheid more than 80 percent of White Afrikaners be-

lieve "we have departed from apartheid", but the majority of English speaking South Africans are not convinced that this is the case.

In reply to the question "Have we departed from apartheid?" 64,2 percent of the respondents replied "yes", 30,1 percent said "no" and 5,7 percent were uncertain.

Afrikaans and English speakers differed drastically in their response to the question.

- 80,5 percent of Afrikaners replied "yes", and 15,5 percent were negative; and

- 35,4 percent of English speakers said "yes" while 55,8 percent replied "no".

The poll found that 76 percent of NP supporters, 30 percent of the PFP and 84 percent of the Conservative Party, believe that there has been a "departure" from apartheid in South Africa.

New system?

In reply to a further question: "Are we really busy implementing a new system?", 85,4 percent of the respondents replied "yes", 8,6 percent said "no" and 6 percent were doubtful.

The opinion poll also established that the majority of Whites would like to see a more rapid pace of reform in the country: 37,1 percent felt the pace was too slow, against 26,4 percent who felt it was too rapid, while 32,7 percent felt the pace was "just right".

Among NP supporters, 55,4 percent were satisfied with the pace of reform, while 30 percent said it was too slow and 14 percent believe it was too rapid.

Among PFP supporters, 93 percent felt that the pace is too slow.

/12828

CSO: 3400/546

SOUTH AFRICA

NATIONAL RESERVE MEMBERS REQUIRED TO REPORT

Pretoria REPUBLIC OF SOUTH AFRICA GOVERNMENT GAZETTE in English 8 Nov 85
pp 27, 28

[Text]

SOUTH AFRICAN DEFENCE FORCE

No. 2535

8 November 1985

NOTICE IN TERMS OF SECTION 54 (2B) OF THE DEFENCE ACT, 1957 (ACT 44 OF 1957).—FURNISHING OF INFORMATION BY MEMBERS OF THE NATIONAL RESERVE

By virtue of the powers vested in me by section 54 (2B) of the Defence Act, 1957 (Act 44 of 1957), I Magnus André de Merindol Malan, Minister of Defence, do hereby require the members of the National Reserve mentioned in the Schedule hereto, to report to their nearest Commando Headquarters before the 17th day of November 1985 for the purpose of furnishing information concerning their personal particulars, address, work, profession or occupation and such other information as may be deemed necessary to the Registering Officer, South African Defence Force.

Signed at Pretoria this 31st day of October 1985.

M. A. DE M. MALAN,
Minister of Defence.

SCHEDULE

White male citizens of the Republic of South Africa from the age of 18 to 54 years, who are resident in the Magisterial District of Bronkhorstspuit.

No. 2536

8 November 1985

**NOTICE IN TERMS OF SECTION 54 (2B) OF THE
DEFENCE ACT, 1957 (ACT 44 OF 1957)---FURNISH-
ING OF INFORMATION BY MEMBERS OF THE
NATIONAL RESERVE**

By virtue of the powers vested in me by Section 54 (2B) of the Defence Act, 1957 (Act 44 of 1957), I Magnus André de Merindol Malan, Minister of Defence, do hereby require the members of the National Reserve mentioned in the Schedule hereto, to report to their nearest Commando Headquarters before the 24th day of November 1985 for the purpose of furnishing information concerning their personal particulars, address, work, profession or occupation and such other information as may be deemed necessary to the Registering Officer, South African Defence Force.

Signed at Pretoria this 31st day of October 1985.

M. A. DE M. MALAN,
Minister of Defence.

SCHEDULE

White male citizens of the Republic of South Africa from the age of 18 to 54 years, who are resident in the Magisterial District of Brits.

/9317
CSO: 3400/511

SOUTH AFRICA

IMMIGRANTS JOIN TO COMBAT PROPAGANDA

Johannesburg THE CITIZEN in English 26 Nov 85 p 8

[Text]

IMMIGRANT communities in South Africa — representative of 25 nationalities ranging from Austrians and Albanians to Englishmen, and Bulgarians — are being mobilised to campaign worldwide for the Republic.

Mr Joeahlozek, a Czech born Pretoria engineer and chairman of the mushrooming International Immigrants Committee of South Africa, told The Citizen yesterday: "We are on the warpath for South Africa."

The body was formed after the successful "solidarity" march of immigrants in Pretoria a month ago as a spontaneous gesture to show loyalty to the Republic.

"A few of us got together after the march and asked what next? We decided to try to consolidate feeling among new South Africans who believe their stake is now in this country — and the re-

sults have exceeded our wildest expectations," he said.

Thousands of immigrants from 25 communities were already involved in a wide plan by the central committee to work for better understanding of South Africa in the various home countries.

And within South Africa, too, action is planned — particularly against newspapers which the committee is convinced are anti-South African in their outlook.

"On the cards is a nationwide boycott by cafe owners of these newspapers, if they don't get their priorities right," he said.

Mr Hlozek, who lived for 25 years behind the Iron Curtain, said: "It is obvious to us that South Africans of all races know nothing of the real evil and dangers of communism."

"We believe that anti communist propaganda efforts here are naive and inadequate. We aim to bring home the true message."

/12828

CSO: 3400/546

SOUTH AFRICA

SAFTO LEADER DOWNPLAYS IMPACT OF SANCTIONS

Johannesburg THE STAR in English 15 Nov 85 p 19

[Article by Stan Kennedy]

[Text]

While sanctions may hurt, it is a pipedream to believe they will force South Africa to its knees, Dr PK Hoogendyk, chairman of the SA Foreign Trade Organisation (Safto) said in Johannesburg yesterday.

Speaking at the Safto annual meeting, he said the various governments, left-wing groups and fellow-travellers criticised South Africa's internal policies, mainly for political expediency or to save their own consciences.

"However, our numerous friends and supporters abroad have complimented us on our pragmatic and fair approach to complicated problems. They were happy and even felt privileged to be associated with us because we had a stable and prosperous economy.

"Unfortunately, our economy has been allowed to slip into a deepening recession during the past two years. Many of our friends and supporters, being

practical businessmen, are concerned about the stability of their investments and disappointed with their dividends, if any."

He appealed to foreign investors to be practical and take the longer view of the SA economy "because there is no doubt that it will bounce back".

The first priority was to ensure that the rand improved by about 100 percent against the US dollar. If this was not achieved, the external debt burden would strangle the country for many years to come.

"We have the means and ability to strengthen our currency," he said, "but it will require some sacrifices by the authorities and the private sector.

"While the economic circumstances are not easy, I believe the exporting community has distinct advantages because of the weak currency.

"It is now up to us to shake off the prevailing pessimism and realise that we have a wonderful, economically viable country, which has the will and ability to emerge from the present depressed circumstances."

Consolidated revenue of the SA Foreign Trade Organisation (Safto) for the year to end June increased by 27 percent to R3,7 million.

This included extra funding from the Department of Trade and Industry for three specific export programmes, which raised Government's contribution from 17 percent in the previous year to 26 percent. There was a modest surplus of R3,7 million (R6,4 million).

The year was marked by a greatly increased demand for Safto's services, especially for membership, which now stands at 1220, export efficiency consultancies, the small exporter development programme and various international marketing programmes.

/12828

CSO: 3400/544

SOUTH AFRICA

ONLY 100 NEW INDIAN TEACHERS FOR 1986

Johannesburg BUSINESS DAY in English 15 Nov 85 p 4

[Text]

ONLY 100 prospective teachers — a drop of 600 — will be accepted next year by the Department of Education and Culture in the House of Delegates.

This was announced on Wednesday night by the chairman of the Minister's Council in the House of Delegates, Amichand Rajbansi.

Addressing about 250 people at a National People's Party report-back meeting in Port Elizabeth, Rajbansi warned teachers that the NPP would not tolerate politics on the campus and he lashed out at the Progressive Federal Party.

He also said SA was on a new constitutional course.

Rajbansi said graduates throughout South Africa would receive the bad news in the next two weeks that only 100 potential teachers would be accepted next year.

"There is no place for them," he said.

He said he respected the right of teachers to have political views, but that politics had to be kept out of schools.

"We will not tolerate any nonsense within the boundaries of schools," he warned.

"The fact that there are thousands knocking on the door to become teachers means we can take strong action against anyone who advocates boycotts," he added.

He then accused the PFP of taking one line within the standing commit-

tees and another outside for the benefit of the media and the "public gallery".

He said the PFP aimed to grab the citadels of power in the House of Representatives and the House of Delegates.

"Where they have grabbed the citadels of power at third-tier level, their performances have been equal to the utterances of the Conservative Party and the Herstigte Nasionale Party."

Rajbansi said he would deal in greater detail with the PFP during the No Confidence debate in the House of Delegates next year.

On future constitutional development in South Africa, Rajbansi said State President P W Botha's speeches at National Party congresses in Durban and Port Elizabeth had put South Africa on a new course.

Botha, he said, had for the first time touched on the possibility of regional solutions to the country's problems, and the NPP also favoured a federal solution.

Rajbansi said there was a fundamental difference between South Africa and other countries in Africa, such as Kenya and Zimbabwe.

This was that blacks in South Africa were not negotiating with an absentee landlord.

They were dealing with four million people determined to survive, said Rajbansi. — Sapa.

/9317

CSO: 3400/511

SOUTH AFRICA

SCIENTIST DEPLORES ISOLATION OF NATION SCIENTISTS

Johannesburg THE CITIZEN in English 26 Nov 85 p 8

[Text]

GOVERNMENTS who prohibit interaction with South African scientists are often doing their own scientists harm by denying them information and valuable communication, says the chief director of information and research services for the Council for Scientific and Industrial Research, Dr Wat Butler.

The international isolation of South Africa's scientific community — which has increased with the growing call for sanctions to protest against apartheid — deprives all members the population, as well as the neighbouring countries, of the benefits of technological development, Dr Butler said.

This campaign has intensified in the past six months, causing the neutral International Council of Scientific Unions (ICSU) to establish a "committee for the free circulation of scientists" whose object is to ensure the free circulation of bona fide scientists and enable them to communicate.

Dr Butler emphasised that ICSU was by no means a pro-apartheid organisation, but that it was apolitical and "firmly supports the universality of science and the free movement of all bona fide scientists, and the free exchange of scientific and technological information".

"It's sad that countries and people whose doors were always open to us have been forced to close them," he said.

Not only were South African scientists being refused permission to attend conferences overseas, but some foreign academics were refused leave from their organisation to visit South Africa.

Academics who wished to visit South Africa often faced severe pressure, both from colleagues and students, or the necessary funding to visit the country was withheld, Dr Butler said.

Several inter-governmental scientific organisation were also opposed to South Africa's participation in international technological develop-

ment, although this did not apply to all such organisations.

The lack of invitations to overseas conferences had other disadvantages: If a scientist did not attend the conference, his paper was not accepted for presentation.

Dr Butler said he knew of at least one scientific paper which was presented to a journal for publication but had been rejected on political grounds — despite the fact that publishers had thought it was of scientific value.

Although he declined to name specific incidents "which could embarrass those involved", he confirmed that the isolation had been with South Africa for a number of years, but had especially intensified over the past six months.

Countries which had "given us a lot of trouble" included the Scandinavian countries of Denmark, Norway and Sweden, "and to a lesser extent, Finland", Dr Butler said.

— Sapa.

/12828

CSO: 3400/546

SOUTH AFRICA

URBAN BLACKS TO WORK IN GOLD MINES

Johannesburg THE CITIZEN in English 26 Nov 85 p 12

[Article by Erk Larsen]

[Text]

ONE of South Africa's major mining groups, Rand Mines, is to recruit urban Blacks to work on its gold mines.

This was announced yesterday by Mr Clive Knobbs, head of the group's gold and uranium division, who said the first mine to take this step will be East Rand Proprietary Mines (ERPM), near Boksburg.

The mine hopes to employ staff from East Rand townships such as Vosloorus, Boksburg and Wattville, Benoni, both of which are within easy commuting distance of the mine.

Those who sign on will be able to continue living with their families at home while working on the mine, Mr Knobbs said.

"We will start with ERPM and when we see

what happens after the Government's proposed influx control changes, we will extend the campaign to other mines in the group."

At present there was the normal turnover of employees which would provide openings at ERPM, but once the new Far East vertical section was established another 7 000 jobs would be created.

Mr Knobbs said that three other mines in the group were also considering employing urban Blacks — Durban Deep, near Roodepoort, Blyvooruitzicht in Carletonville and Harmony in Virginia.

"Rand Mines hopes that many urban Blacks

will take advantage of the new job opportunities being opened at the mine," he said.

/12828

CSO: 3400/544

SOUTH AFRICA

OFS 'MEGAMINE' APPROVAL WON

Johannesburg BUSINESS DAY in English 20 Nov 85 pp 1,2

[Article by Roy Bennetts]

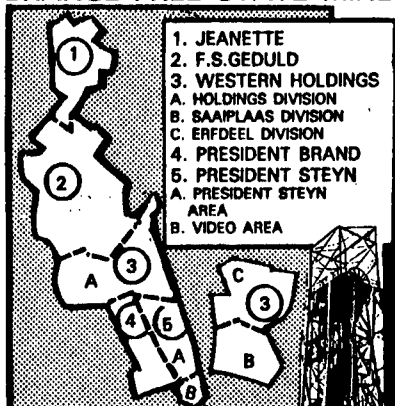
[Text] **ANGLO AMERICAN** has won government approval to merge its Free State gold mines into a megamine. The five mines involved have a total market capitalisation of R3,7bn.

The scheme is awaiting approval of shareholders of the companies concerned.

The listings of the five — Free State Geduld, Western Holdings, President Steyn, President Brand and Welkom — were suspended yesterday at their own request on the Johannesburg and London stock exchanges.

Although news of a possible merger was announced late last year, it is believed the concept was viewed initially

ORANGE FREE STATE MINES



with suspicion and disfavour by government because of a possible loss of tax revenue.

Of concern to the market is the probable removal of five counters from the gold board and their replacement by a single high-priced share.

Chairman of Anglo's gold and uranium division Peter Gush prefers to remain silent until negotiations have been finalised. But an official announcement on the division of shares is expected by the end of this week.

The rationale behind the project is to reduce costs and extend the life of the area by breaking through boundary blocks.

JSE brokers are divided on the question of the megamine's listing.

A major concern is the limit imposed on overseas and local mutual funds holding more than 5% of their assets in any one company.

This would seem to remove the possibility of the formation of a single holding company.

The nearest to a consensus is that the megamine will be set up as a pyramid, with two co-axial investment companies, thereby providing the market with three investment options.

Feeling on the JSE is that President Steyn will become the main company,

with Western Holdings and Free State Geduld as the investment legs. These two would then issue more shares at prices below those of the top company.

Currently about 80-million shares are in issue by the five companies. These are expected to be thrown into a melting pot and reduced to 20-million in the megamine, equating to a single share price of about R200.

This would produce a situation closely matching that of Anglo-managed Vaal Reefs, which has 19-million shares in issue at a market price of R212 a share.

The issued price of the new share is expected to be close to R230.

One of the biggest headaches for Anglo is how to relate the share price of the individual mines to the price of the shares in the pyramid companies or the merged mining company.

It is believed that Anglo may have employed an independent merchant bank to assess the current net value of the shares.

Prior to the suspension, trading prices of the five companies ranged from R20 to R86 a share.

But the situation is complicated by the running costs and lifespan of the individual mines.

Another solution could be the re-allocation of shares based on a dividend yield.

The overall historic average of the five companies indicates a yield for the megamine of between 8.5% and 9% a share.

This could then be used as a guide to the issue of the new shares against current holdings.

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CSO: 3400/544

SOUTH AFRICA

SCRAPPING OF RACIAL JOB RESERVATION SCHEDULED

Johannesburg BUSINESS DAY in English 20 Nov 85 p 1

[Article by Claire Pickard-Cambridge]

[Text] AN ERA in mining history will end next year when racial job reservation is scrapped.

The prospect has released tides of conflicting emotion from unions in the industry.

The hard-line Mineworkers' Union (MWU) fears fewer whites will be employed in the industry.

The black National Union of Mineworkers (NUM) accuses the Chamber of Mines of moving too slowly in ending job reservation.

Management guarantees of job security for whites has upset the NUM and failed to placate the MWU.

The Mines and Works Act of 1956 prevents blacks and Asians obtaining any of the 13 certificates of competence for work in the industry.

These are limited to "scheduled persons" who can only be white, Cape Coloured, Malay, Mauritian Creoles and people from St Helena or their descendants born in South Africa.

The certificates affect mine managers, mine overseers, mine surveyors, mechanical engineers, electrical engineers, mine assayers (whose work includes analysing the quantity of gold in rock), winding-engine drivers, locomotive and stationary-engine drivers, boiler attendants and blasters.

The last two categories are lampmen (who monitor the handing out and condition of lamps and batteries, and check that all are returned to ensure a mine has been cleared) and onsetters. Onsetters convey messages and ring bells signalling to a winding-engine driver that hoisting must take place.

Of the 13 certificates, the most important in production is the blasting certificate.

It is essential if a person wants to become a mine overseer, shift boss or mine manager.

Chamber member mines employ about 550 000 people, 16 000 of them in "scheduled persons" jobs.

But the white domains are to change. Minister of Mineral and Energy Affairs Danie Steyn

has set December 31 as a target date for the conclusion of discussions between the chamber and white unions.

The MWU's Arrie Paulus stresses this is only a target date and that the parties are not close to an agreement yet.

But Steyn has said legislation changing the "scheduled persons" definition to a non-racial "competent persons" definition will be passed in Parliament next year.

Widespread changes are not likely to be noticeable in the industry in the near future, but Johan Liebenberg, industrial relations adviser to the Chamber of Mines, believes changes of attitude are likely to occur.

He says the chamber has made progress where the scheduled persons definition did not exist.

He cites mechanical and electrical engineering, where the chamber reached agreement with artisan representatives in 1981 to indenture apprentices of all races.

Liebenberg says 86 qualified black and Asian artisans are now trained and working on Chamber mines.

"We maintained the standards of training and selection and did not jeopardise the employment opportunities of our other artisans.

"Our track record has proved we will not flood the industry with unqualified people and that employment is based on merit."

He says the chamber has also been able to begin training some coloureds for work in scheduled categories in the Transvaal and the Free State.

This follows a 1984 Department of Mineral and Energy Affairs ruling that enabled the mines to employ coloureds in scheduled categories in the two provinces.

The scrapping of job reservation in the mining industry was recommended in 1981 by the Wiehahn Commission, which also laid down conditions for the protection of white miners' jobs to diminish their fears.

And the government gave its assurance that no legislative amendment would be considered before precautions had been taken to protect the interests of white mineworkers.

SOUTH AFRICA

POWER OF UNIONS INCREASES

Johannesburg BUSINESS DAY in English 20 Nov 85 p 8

[Article by Claire Pickard-Cambridge]

[Text] A MAJOR development in the post-Wiehahn era of industrial relations is expected to be the birth of a union super-federation on November 30.

The approaching launch and inaugural congress is to be held in Durban and the new mammoth — the Congress of SA Trade Unions (Cosatu) — will represent about 380 000 paid-up members and 500 000 signed-up members.

If their remaining difficulties can be resolved then SA could well see its balance of labour power transformed. In this event Cosatu is also likely to eclipse most other union federations in terms of sheer numbers and clout.

The super-federation will be comprised of the eight unions affiliated to the Federation of SA Trade Unions (Fosatu), the National Union of Mineworkers (NUM), the General Workers Union (GWU), the Food and Canning Workers Union (FCWU), the Commercial, Catering and Allied Workers' Union (Ccawusa), the Cape Town Municipal Workers' Association (CTMWA), 11 United Democratic Front (UDF) affiliated unions and several belonging to the National Federation of Workers.

But, although some problems have been temporarily quelled, there are still key issues to be resolved which will also be debated at the congress.

There are still difficulties agreeing over voting powers and the question of fielding delegates on the basis of proportional representation requires greater clarification.

Another issue to be dealt with is the difference between the UDF affiliates and the mainstream unity unions on the question of worker majorities on committees within the federation.

Unions originally party to the talks want workers — and not paid union officials — to hold executive positions on any committee in the new federation. The newer entrants — the UDF unions who previously objected to a distinction between workers and officials — indicated recently they might drop this position.

Every union in the new federation has committed itself to having one union per industry and merger talks are still set to continue.

Mergers are understood to be well under way between the GWU and Fosatu's Transport General Workers Union, as well as between the FCWU and the Sweet Food and Allied Workers Union (SFAWU).

One giant union is envisaged for the metal and automobile industry and merger plans are said to be well under way.

These talks involve the Metal and Allied Workers Union (Mawu), the United Mining, Metal and Allied Workers of SA (Ummawosa) which split from Mawu last year, the National Automobile and Allied Workers Union (Naawu), three UDF unions — National Iron, Steel, Metal and Allied Workers Union (Nismawu), the General and Allied Workers Union (Gawu) and the SA Allied Workers Union (Saawu).

However, there is uncertainty whe-

ther Saawu's Durban branch will be involved in the new federation. The unaffiliated Motor Industry Combined Workers Union (Micwu) has also been involved in talks with Naawu and Mawu with an aim to achieving greater unity. But Micwu general secretary Des East says although they support the principle of unity, the union is busy with internal restructuring of its own and has no plans to join the new federation in the immediate future.

Immediate merger plans in both the metal and auto industry, and in the food industry are expected to be completed next year. But merger plans do not appear to be as well advanced with some of the other unions, although they are presently holding meetings.

The principles on which the new federation will be based are non-racialism, worker control, the merging of unions along industrial lines, representation on the basis of paid-up membership and national co-operation.

Cosatu's political direction will be further clarified on December 1, by the new president-elect after Cosatu office bearers have been chosen on November 30.

Revealing membership figures generated some tensions earlier as certain unions initially opposed this. Another earlier difficulty which has been resolved was that facing general unions whose membership would have to be split along industrial lines.

The UDF unions tend to be seen as class-based unions. Saawu and Gawu are the biggest UDF unions, while the smallest is the SA Scooter Drivers' Union.

Saawu has a history of conflict with the Ciskei government, which banned the union in 1983. It has thus faced extraordinary pressures with members commuting into East London, where it is legal.

However, Fosatu unions have made greater material gains following a commitment to tight shop-floor organisation and an avoidance of overt political participation after its inception in the Seventies. But Fosatu has made increasingly political moves as political and economic demands intensified.

Fosatu's major unions include Mawu and the National Automobile and Allied Workers Union (Naawu).

Mawu is currently in dispute with over 40 employers in the Transvaal metal industry over the issue of plant level bargaining, while Naawu has strong roots in both the Eastern Cape at giant motor and component companies in Uitenhage, Port Elizabeth, East London and Durban.

Other fairly large Fosatu affiliates include the Chemical Workers Industrial Union (CWIU), which organised crippling strikes at Sasol last year, and the National Union of Textile Workers (NUTW).

Fosatu president Chris Dlamini — who is also president of SFAWU — is tipped to be one of the key figures in the new federation.

The NUM and Ccawusa, the country's largest and second largest emergent unions respectively, are also likely to play a key role in the new federation.

NUM's Cyril Ramaphosa, a qualified attorney regarded as one of the top trade union leaders, is expected to be another important leader.

There are more than 200 trade unions in SA, which is characterised by a complex welter of union groupings, independent unaffiliated unions and those which rapidly spawn splinter look-alikes.

However, the launch of Cosatu on a strictly non-racial ticket will also reflect the fundamental division in black politics between this philosophy and that of black consciousness.

And possibly in response to Cosatu's imminent launch, those with black consciousness leanings — the Council of Unions of SA (Cusa) and the Azanian Congress of Trade Unions (Azactu) — recently announced they would be exploring common ground with a view to working more closely in future.

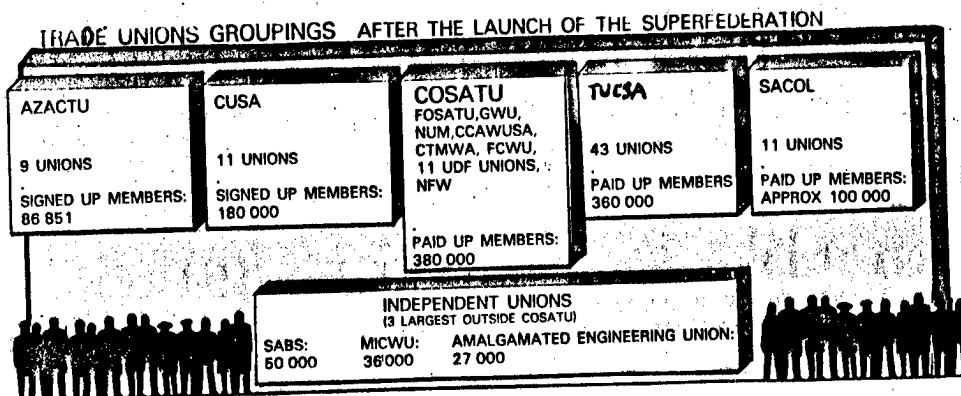
The centrist Trade Union Council of SA (Tucsa) which has been the country's largest trade union federation until now has 43 affiliates. Another group is the right wing SA Confederation of Labour (Sacol), which has an entirely white membership.

Outside the formal groupings are other inter-union bodies which operate in specific industries and tend to cater for more established unions. The SA co-ordinating council of the

International Metal Workers Federation is an important body of this nature which was revived in May last year. One of its largest unions is the multiracial SA Boilermakers' Society (SABS) which simultaneously belongs to the more conservative Confederation of the Metal and Building Unions (CMBU).

The CMBU has some white-only unions and several multiracial unions and caters largely for industry-based unions with mainly skilled and semi-skilled workers.

Another inter-union body is the Council of Mining Unions (CMU), headed by Arrie Paulus, whose right wing white Mineworkers Union has been crossing swords with the Chamber of Mines over the scrapping of job reservation.



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CSO: 3400/544

SOUTH AFRICA

UNEMPLOYMENT PROGRAM SUCCEEDING

Johannesburg THE CITIZEN in English 26 Nov 85 p 12

[Article by Brian Stuart]

[Text] CAPE TOWN. — Almost 5 000 unemployed people, many of them the sole breadwinners of families, have been given jobs by the Department of Agricultural Economics and Marketing as part of the Government's action to ease unemployment.

The State recently announced that R600-million had been set aside during the current financial year for a country-wide programme to create special job opportunities.

Of this amount, R2,3-m was earmarked for the Department of Agricultural Economics and Marketing, which launched a project to engage unemployed people in controlling weeds and invader plants.

Mr Greyling Wentzel, Minister of Agricultural Economics, told The Citizen yesterday that weeds and invader plants were a grave menace to the production potential of South Africa's agricultural resources.

For this reason, a high priority had been given to controlling these plants as part of the job-creation project.

Mr Wentzel said that to date permission had been granted to 442 employers to engage 4 965 unemployed people to combat these plants.

Since April 1, a total of 225 700 man-days had been worked. During September alone, 2 068 unemployed people had been engaged to combat weeds and invader plants.

The maximum wage paid to labourers was fixed at R2,50 a day from April 1, but this was increased to R3 a day from November 1.

Farmers pay this wage direct to employees, and claim the wages back from the Department on a monthly basis.

A special invitation has been extended to municipalities to join the project by registration with the Department.

Those who register as employers undertake to accept full responsibility for the registration, accident insurance, supervision and regular salary payments to the labourers.

They also undertake to recruit unemployed, adult labourers who at the time of their recruitment are not entitled to unemployment benefits and to give preference to one breadwinner in each family.

Between April 1 and October 31, the number of employers (with the number of people employed given in brackets) in each of the Departmental regions was: Karoo: 103 (834); Free State: 256 (2 971); Eastern Cape: 38 (442); Transvaal: 43 (668); and Natal: 2 (50).

Would-be employers may obtain further details from Mr J E Farrel by telephoning Pretoria (012) 206-2454.

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SOUTH AFRICA

ECONOMIC SURVIVAL LINKED TO 'FREER' MARKETS

Johannesburg BUSINESS DAY in English 20 Nov 85 p 8

[Interview Chris Marchand talks to OM's Mike Levett]

[Text]

In SA's climate of isolation and economic stagnation, two schools have emerged as to how to get the economy growing again — either freer markets or more state controls. Both identify SA's low savings rate as a central weakness. However, advocates of control want more government intervention — economic stimulation, import controls, a managed currency and

lower interest rates. Freer market supporters argue for less government spending, taxation and regulation and more political reform. In essence, the difference between the camps revolves around the degree to which international capital and economic links are seen as vital in promoting prosperity. Old Mutual MD Mike Levett supports economically freer markets

What do you see as the major problems in our economy?
Levett: The two major problems are continued growth in government expenditure, particularly consumption spending, and the low levels of saving and investment. The current tax structure does not encourage saving, and government must act to boost saving and investment by cutting taxes and consumption spending. We must generate money for investment. How should government get the economy moving again?

My first point is that no broad base presently exists for a significant short-term economic recovery. Recovery in consumer spending next year is likely to be anaemic, and the abnormal capital outflow will reduce the benefit the economy should derive from the present current account surplus. And while the current stimulatory posture of the authorities is politically understandable, it will, in the longer run, have adverse effects on long-term interest rates, inflation and long-term growth.

So how can government create longer-term economic growth?
The most important requirement is that government should lower its consumption expenditure and set priorities for spending. I would like to see state spending back to 1980-81 levels as a percentage of GDP, and this should allow for the introduction of lower taxes.

Lower taxation is essential in order to encourage savings which can be channelled into productive private sector investment. To do this, one must reduce taxes on investment returns. The life insurers and pension funds, for example, are a vital medium for raising long-term contractual savings which can be used in the long-term capital requirements of the country. One measure I suggest is

that we reverse the minimum premium paying term of an individual life policy of 10 years and restore a five-year premium paying term to make life policies more attractive. In the current uncertain climate, people are averse to making lengthy commitments of their future income.

We also need fundamental deregulation in a political and business sense in order to enable small businesses to grow and develop. Joe Mopane should be allowed to find two 44-gallon oil drums and planks and sell his wares. The more we have deregulation the more small businesses can develop. This will promote entrepreneurial instincts, and the institutions as purveyors of capital can indirectly through banks and development corporations support this process. You have not mentioned exchange and import controls, which are considered by their adherents as essential for SA economic growth?

There is no stronger protection to the economy than a lower rand, and I do not foresee much improvement in the rand, because of the debt impact. (I expect the monetary authorities to continue repayment of debt in order not to shut SA out of the international bank loan market completely). Over and above the low-valued rand, we shouldn't need quantitative import controls, because these make businesses economically inefficient.

A higher rand would, of course, improve our terms of trade, but we can't afford anything but a free exchange rate because of the cost to the reserves. The exchange rate has shouldered a tremendous amount of the burden of the country's political and economic mismanagement, but a managed rate would lead to a loss of our reserves.

Sir Michael Edwardes at the FM investment conference last Friday warned we stand on the brink of massive overseas disinvestment next year. We have a debt moratorium and a capital outflow which threatens to get worse. Does such a scenario, and the need to generate the money you say is crucial to our economic growth, not merit tighter controls on capital outflows?

The ability of foreign investors to create massive disinvestment is really very limited, because you cannot disinvest significant amounts through the financial rand without it collapsing to very low levels.

The real problem is a lack of future overseas investment. Expectations of 3% real growth next year are not very

much, especially when you consider we have a balance of payments surplus and will have no growth this year. From 1987 onwards, we will need overseas invest-

ment if we are going to achieve a significant increase in growth. There will be no strong and sustained economic recovery without overseas capital.

Considering the shortage of capital and the fact that the institutions are cash flush, will government seek to direct a greater flow of institutional money into greenfields projects or lending to the parastatals?

Already some 53% of our pension fund business and 33% of our other business income goes into prescribed assets which is, in fact, a form of additional taxation. If you increase the level of taxation on long-term savings you will only worsen the volume of savings in SA. You can only increase savings by making the returns better. In this regard, it is worth noting that overseas perceptions that the future of the SA economy was not so good was an important factor in precipitating the debt crisis.

But would you agree that the institutions may have to provide a greater level of funding for new ventures, parastatals, small businesses and struggling companies — as Sanlam has done with Kirsh, Messina and Abercom?

We must invest our money for the best return, and it would be wrong for our policyholders and the country if we used our capital in any other way. However, as a long-term investor we do not take a one-year view on our money. We will invest where we see the opportunity to get value over time. We have invested in the Small Business Development Corporation and in greenfields projects such as Richards Bay Minerals. The point is that investment should not be government-directed, but decided on by many different investors in the private sector who want to maximise returns. This is the free market at work, and should lead to the best use of the country's resources.

SOUTH AFRICA

ECONOMIST ON PROSPECTS OF GROWTH

Johannesburg THE STAR in English 20 Nov 85 p 23

[Text]

South Africa's siege economy will restrict economic growth prospects until the end of 1987, having severe implications for the property industry as limited economic growth and continual high inflation imply reduced growth opportunities.

Writing in the November edition of *The Property Economist*, Mr Neville Berkowitz, says that on the basis of lessons learned from Sharpeville and Soweto, after which the economy received a 30-month shock before it corrected itself, estimates are that the country is unlikely to see economic growth until 1988.

The residential market upturn is expected to begin to recover in the second quarter of 1986, says Mr Berkowitz.

But he emphasises that uncertainty created by the debt moratorium makes forecasting for 1986 difficult.

However, assuming mortgage rates are allowed to come down to 17 percent by the second quarter of 1986, and foreign debt capital repayments are held back, it was possible that mortgage rates would go as low as 15 percent next year, which would be a major stimulus to renewed residential market activity.

There was no apparent short-

age of bond finance — lending capacities were likely to remain steady, and 1986 should see a 14 percent increase in the number of bonds granted compared with 1985, Mr Berkowitz says.

The 33 percent fall in the planning of new homes during the first five months of 1985 implied that the present oversupply could become an undersupply by late 1986. However, the affordability factor played a major role in the take-up of the present oversupply.

The latest tax information revealed that under 100 000 families earned more than R2 800 a month. Thus the old "affordability rule" of 25 percent of gross income meant that the swing would be towards the provision of cheaper homes.

Mr Berkowitz says that while home prices are likely to see an upswing in 1986, the extent of the price increase will be determined mainly by the political stability within the country, the drop in bond interest rates and the availability of building society liquidity.

He expects a price increase of 15 percent for homes priced under R90 000 by December 1986 compared with December 1985, but for homes priced from R90 000 to R150 000, he expects the rise to be limited to 7,5 percent.

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SOUTH AFRICA

REFORM SEEN AS ECONOMIC PRIORITY

Johannesburg THE STAR in English 21 Nov 85 p 12

[Article by Brian Kantor]

[Text] The economy is suffering from a confidence shock. South Africa has come to seem much less viable and prospects for economic development much less promising. These perceptions, held especially overseas, but also at home, have led to a withdrawal of capital and of skills.

It has also meant much less willingness on the part of firms and households to commit resources for future benefits. The risks of investments of any kind are regarded as much higher. Or, to put it another way, time horizons have shortened.

Thus it is not at all clear that the recession has, as yet, bottomed out, despite the very strong export sector.

Without a recovery in confidence, the balance of payments outlook will not improve dramatically, nor will demands for consumer goods recover at all strongly from what are very depressed levels of demand.

The one sector of the economy relatively immune from confidence shock and one with unavoidably long time horizons, is the government sector. Government is increasing its expenditure and the Reserve Bank, despite the foreign debt crisis, has allowed interest rates to fall substantially.

I have every sympathy with this policy stance. Without this encouragement from fiscal and monetary poli-

The problem is to keep money supply growth up, rather than down, at this stage of our cycle.

cies, the economy would be in still graver difficulties and little would be served by still lower levels of private or government expenditure.

There is a great deal of room for expenditure to grow and for output and for demands for labour to increase with expenditure. Expenditure and output can also grow and still leave room for large surpluses on the current account of the balance of payments, with which to reduce foreign indebtedness.

There is no doubt at all that the authorities over the next couple of years will give very high priority to reducing foreign indebtedness, irrespective of the rescheduling arrangements made with the foreign banks.

Such priorities will affect the behaviour of the economy and will contrain any upswing in economic activity. Such an upswing is, however, regrettably some distance away.

There is absolutely no immediate danger of renewed money supply growth, given the state of demand for consumer and other credit. The problem is to keep money supply growth up, rather than down, at this stage of our cycle.

Additional government expenditure is no threat to money supply growth. In fact, government revenues are probably growing every bit as rapidly as expenditures, and the case for cuts in tax rates is a very strong one.

Inflation in South Africa is bound to rise over the next year. Higher prices in 1986 will not be the effect of excess demand, but the consequence of the fall in the value of the rand.

In effect, foreign opinion has imposed the equivalent of a very large tax increase on South Africans.

The question is not so much about whether the rand will recover, but when will salaries and wages catch up with prices?

The answer is not for a year or so, at best.

The consumer price index will increase, on average, by about 18 percent over the next year.

A very clear sign of the strength of the Government's financial position was in the recent Mossel Bay oil from gas announcement. This is clearly a development of major importance for the economy and what has not been properly appreciated is that the project will go ahead without additional demands on the taxpayer or the capital market.

The taxpayer, in effect, has already paid for the Mossel Bay scheme. Over 30 cents a litre of petrol goes to the Government.

The benefits of overpaying for petrol are being realised in the form of increased spending on roads and now on a major development programme.

Sasol has been a major beneficiary of the fall in the value of the rand. The profits of Sasol have been used to repay loans from the Oil Fund and are, therefore, available for development.

The ability of the South African Government to tax and to save the proceeds deserves favourable recognition. There is an opportunity with the Mossel Bay development and given the profitability of oil from coal schemes and given the availability of coal in South Africa, to restructure our policies for energy in the interests of economic growth.

Competition in energy supplies has become even more attractive and viable. The Government should ensure that oil from gas is made to compete with oil from coal from Sasol and other producers, and with oil from overseas.

Furthermore, every effort should be made to encourage competition in the supply of electricity from coal. If such competition were encouraged, Eskom would not be able to build up its financial strength at the expense of current consumers of electricity.

Competitively produced and by international standards, relatively low-cost energy could form the backbone of an economic development strategy

for South Africa.

Tax reform and deregulation of labour markets and the urbanising process have also much to contribute to the process of economic growth in South Africa.

The international trading and financial environment for South African business has become much more difficult. There is a great danger that it will become still more difficult for South Africans to call upon interna-

Sasol has been a major beneficiary of the fall in the value of the rand.

tional markets to assist development.

What is required is that South Africa makes those political reforms demanded of it by conservative friends in foreign businesses and governments.

In order for them to keep up their financial and trade links with South Africa which they want to do very badly, we have to remove all forms of racial discrimination imposed by government policy and, as far as they exist, by business.

South Africans are faced with a clear choice: between the siege economy and a relatively open economy. There should be little misapprehension about the long-run consequences of living under siege. It will mean, surely, a consistent deterioration in the quality of life and, in the long run, an inability to maintain security of life and property for want of a sufficient economic and tax base to support the security forces adequately in a hostile world.

The high price of influx control, of the Group Areas Act, of separate education and amenities, is clearly visible. Is it too much to hope that the South African voters and the politicians who lead them will reject paying that price?

There is huge room for improvement in our economic management. The opportunity to show we have learnt from our mistakes in the way we manage our relations with the world economy, depends on keeping

Living under a siege economy will surely mean a consistent deterioration in the quality of life.

our doors open to that world economy as wide as possible.

Keeping doors open demands decisive movement away from racial discrimination, without compromising the security of life and property in South Africa.

The game to be played is a difficult one. It will require great subtlety by politicians and the economic authorities. Economic reforms that will encourage a more efficient economy, have a vital role to play in this process.

It's after halftime ... and it could be hardly said that the South Africans are winning. But the game is far from over.

Just to summarise the Outlook for the Economy in 1986:

- 3% growth in GDP, forecast by Dr de Kock, is distinctly possible, but this should not be taken as an optimistic scenario as it implies continued decline in real domestic expenditure of about 1 to 2%.

- Exchange rate — 37 to 45c (US)

- Inflation — 18% year-on-year December

- Prime overdraft rates — declining to 14% by mid-year. Increasing to 16% by year end.

- Long-term gilts (RSA's) — yields in the range 18 to 16%.

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CSO: 3400/544

SOUTH AFRICA

ECONOMIST WARNS ON IMPORT CONTROL, TRADE SURPLUS

Johannesburg THE STAR in English 21 Nov 85 p 15

[Article by Stan Kennedy]

[Text] Care must be exercised to ensure that South Africa is not forced into operating an unrealistically high balance of payments surplus in order to appease foreign bankers, says economist Mr Mike Brown, writing in *Economic Research* for stockbrokers Davis Borkum Hare.

In particular, import controls should be imposed selectively, if at all.

He says over-enthusiastic curbs on imports have been a major deterrent to growth in debtor nations.

Cut-off from imports of raw materials, capital goods and replacement machinery, debtor nation economies have shifted on to a lower plane of efficiency. Local industries have not had to compete with imports or adapt to more efficient new technology available from abroad.

South Africa has a particular problem with import controls in that most vehicles for efficient import substitution have already been exhausted. Also, capital goods account for some 50 percent of total imports.

Mr Brown suggests that areas in which substitution could be successful are maize and wheat imports, textiles, base metals, plastics and rubber, luxury consumer goods, and paper and paperboard material. Altogether, these add up to 34 percent of South Africa's imports that could be responsive to import substitution or some rationing of imports.

Purchasing power eroded

"Exchange rates also need to be closely monitored. Plummeting exchange rates, which protect export incomes, have proved extremely inflationary in debtor nations.

"They destroy confidence as industrialists are unable to adopt immobile factors of production quickly enough to changing exchange rates and foreign creditors see their external purchasing power eroded."

Mr Brown believes that a market-determined rand is the best gauge of economic performance. The falling rand, in the face of present and expected current account surpluses, is unrelated to economic reality.

He puts forward two options for the Reserve Bank. Either it must persuade international bankers and agencies that a stabilized currency is in their best interests and obtain short-term credits for intervention purposes or it must impose more controls and regulations aimed at reducing the leads and lags effect.

He emphasises that the rand/dollar exchange rate is the most important element of South Africa's attempt to build an economic strategy under reschedulement. Excessive budget deficits have been another feature of economic adjustment programmes in debtor nations.

"However, high public sector investment, State employment and government enterprises are a feature of most of these nations, including South Africa, while over-aggressive curbs on public expenditure have an extremely negative impact on the overall level of economic activity.

"They have made the mistake of monetising their export surpluses, choosing to build up reserves rather than export capital.

"Failure to exercise proper control over money supply has, therefore, been a key factor behind the excessive inflation in Latin American and other debt-or nations."

Money supply growth

Mr Brown warns that South Africa must not fall into the trap of severely depressing its domestic economy in order to repay foreign capital. Instead, the economy should be mildly stimulated — always with an eye on inflation.

The aim must be to stabilize the exchange rate and money supply growth. Government spending must be kept in line with the nominal growth of the economy.

In the fiscal year to date, government spending is up some 22 percent plus a supplementary spending package of R600 million. Fortunately, tax revenue has been rising by 28 percent compared with the same period last

year and it seems likely that State financing will stick to the budgeted deficit before borrowing of some R2,8 billion for the current fiscal year.

In the 1986/87 fiscal year, government spending will be swelled by a R1,5 billion increase in the civil service wage bill. There will also be a need to provide for a R2 billion foreign exchange loss on the forward book and accelerated spending on unemployment, housing and social relief.

Mr Brown estimates that budgeted spending next year will rise by about R7 billion or 21 percent.

However, state revenue should benefit from continuing high tax receipts from exporters. Allowing for a gold price of R700, tax revenue from gold mines should be about R4,2 billion, up 30 percent on this year.

The introduction of higher excise duties and a full year of the import surcharge would increase total revenue by 15 percent.

		1985/86	1986/87	% Change
<u>Plus</u>	Budgeted Expenditure	31 292	37 700	
	Supplementary Budget	600		
	Additional Expenditure	600		
	Total Expenditure	32 492	37 700	16,0
<u>Plus</u>	Budgeted Revenue	28 322		
	Additional revenue	1 400	34 200	
<u>Less</u>	Tax Concessions		1 000	
	Total Revenue	29 722	33 200	11,7
	Deficit Before Borrowing	2 770	4 500	
	Percentage of GDP	2,3	3,4	

Central Government revenue and expenditure (R millions).

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SOUTH AFRICA

ECONOMISTS PREDICT INFLATION WILL ROCKET

Johannesburg THE STAR in English 21 Nov 85 p 1

[Article by Michael Chester]

[Text]

Economists warned today that Government moves to stimulate an economic revival will run into the worst bout of inflation on record.

The chances of salaries and wages being increased in year-end pay reviews to keep pace with the prices spiral were rated at zero.

Professor Brian Kantor, of the Economics Department at the University of Cape Town, predicted that inflation — already causing alarm at about 16,5 percent — will climb to 18 percent.

P-E Corporate Services, which monitors pay and price movements, warned that forecasts of even 18 percent could prove to be highly conservative.

Researchers at Econometrix, which has a track record of uncanny accuracy with economic scenarios, forecast that inflation as measured by the Consumer Price Index will bounce between 20 and 25 percent and average out for 1986 as a whole at 21 percent.

Worse, Mr Tony Twine, one of its top economists, fears the purchasing power of the rand will be eroded at an even faster pace.

"The CPI covers only a limited range of consumer prices", he said. "If one takes account of all of the elements — such as exchange rates and interest rates — overall inflation next year may well shoot above 30 percent.

HIGHER TAX BRACKETS

"Let's not spoil the fun, but all the tax concessions announced with such fanfare a couple of days ago will simply be swallowed again by the taxman as inflation forces everyone into higher and higher tax brackets".

Volkas adds a warning in a current economic review that any economic upswing expected during 1986 will coincide with an inflation rate at its highest in 60 years — since the prices storms of the 1920s.

Still in the pipeline are the price shocks stemming from the impact of the weak rand exchange rate on imported goods, plus the 10 percent surcharge on many items.

Volkas fears the blueprint already exists for sharp tariff increases by Escom, SA Transport Services and the Post Office.

The root of the problem was the risk of creating "a politically intolerable situation" if action to force inflation downward caused a big fall in economic growth.

The only solution was a medium-term strategy that pursued and promoted the fundamentals of economics and productivity.

New strategies were more vital than ever. "It is unacceptable simply to resign oneself to the present inflation rate without fighting the problem systematically".

SOUTH AFRICA

FAVORABLE TRADE BALANCE REPORTED

Johannesburg THE STAR in English 23 Nov 85 p 17

[Text] SOUTH Africa recorded a favourable trade balance of R10 485,6-million in the first 10 months of this year, according to Government figures released in Pretoria yesterday.

Preliminary statistics from the Commissioner for Customs and Excise show that by the end of October, exports totalled R29 733,3-million and imports R19 247,7-million. The trade balance at the same time last year stood at R2673,5-million.

The import and export figures have been adjusted to bring them into line with the requirements for the compilation of the balance of payments.

A breakdown of the world trading zones showed that Europe remained South Africa's largest trading partner. Exports totalled R7 527,2-million, compared with R5 517,9-million in the same period last year, while imports stood at R9 037-million (R7 940,7-million).

Asia was South Africa's second largest export partner with a total of R4 233,4-million R2 747-million).

These were followed by the United States, with R2 876,8-million (R2 029,1-million), Africa with R1 307,6-million (R727,9-million), and Oceania with R202,1-million (R152,4-million).

After Europe, American imports rated second, with R3 030-million (R3 418,5-million).

Asia was next with a total of R2 809,4-million (R3 423,3-million), followed by Africa, with R370,8-million (R345-million) and Oceania, with R241,5-million (R254,7-million).

Other unclassified goods and balance of pay-

ments adjustments totalled R13 541,3-million for exports (R9 443,8-million) and R3 759-million for imports (R2 590,4-million).

Ships and aircraft stores exported totalled R44,9-million (R28-million). — Sapa.

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CSO: 3400/544

SOUTH AFRICA

SHIPPERS IN DEEP FINANCIAL WATER

Johannesburg BUSINESS DAY in English 20 Nov 85 p 5

[Article by George Young]

[Text]

SHIPS are being arrested for debt in SA waters at an unprecedented rate, and all through action initiated by overseas creditors.

Vessels of Japan's largest shipping corporation, Sanko, have spent weeks idle in SA ports while liquidators in Tokyo seek temporary relief from debts estimated at more than \$1bn.

While the world depression in the 1930s saw hundreds of ships unemployed, the 1980s is seeing famous maritime concerns going bankrupt and leaving enormous debts.

Zim of Israel had to seek state assistance in January when debts reached \$500m. The government offered only \$110m aid.

The Irish national shipping company collapsed when the government declined to meet a \$57m commitment, and its ships were sold.

A major Swedish maritime fleet shocked the shipping world early this year when it announced debts of \$610m. The company went into receivership.

Western shipping experts believe many more Hong Kong operators will follow the lead of Wheelock Maritime International, which has filed for bankruptcy.

Cornish shipping company Reardon Smith Line has suffered the indignity of having its bulk carriers arrested in ports all over the world.

Even the mighty C Y Tung organisation has been in the news in recent weeks because of reported financial trauma, but C Y Tung says it is a temporary situation and the fleet is in good shape.

Paul Slater, chairman of the First International Financial Corporation, foresees more companies going down the drain in the next few months.

Banks, no longer well disposed towards speculative shipping adventures in times of poor trade, are reluctant to provide credit. And major suppliers, repairers and agencies want to see the colour of the money before accepting assignments from one-ship companies — regarded as the most vulnerable.

SA national carriers Safmarine and Unicorn have pruned expenses and are both providing returns.

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SOUTH AFRICA

ECONOMIC UPSWING JEOPARDIZED BY WORLD HOSTILITY

Johannesburg THE CITIZEN in English 25 Nov 85 p 19

[Text]

CAPE TOWN. — Hostile world opinion could have a strong influence on the extent and duration of the expected upswing in the South African economy, says Sanlam in its latest economic survey.

"At this stage it is difficult to predict the extent to which South Africa's imports and exports will be affected by hostile action from abroad.

"For purposes of forecasting, we have assumed there will be no large-scale interference with our foreign goods traffic in 1986. It is nevertheless becoming increasingly apparent that South African importers and exporters will have to be more imaginative in future if we are to keep our overseas trading channels open."

The report says it accepts that the process of political reform will be maintained and may even be stepped up, but that social and political tension will nevertheless continue.

"The lack of business and consumer confidence is strengthened by the fact that labour remuneration will rise only slightly next year, that the inflation rate will remain high and that the consumer's spending power will be curtailed further by the higher tax burden."

In the light of these factors, the recently-announced tax relief package, even though limited in extent, is "most welcome".

The report says it foresees only a small rise in consumer spending after the sharp decline in 1985, a moderate increase in the current expenses of the general government, a further drop in total fixed capital spending and a steady depletion in inventories during the first half of 1986, followed by a small rise in the last few months of the year.

"All in all we expect real gross domestic expenditure to rise by approximately 3 percent in 1986 as against an esti-

mated decrease of almost 8 percent this year."

The report estimates that the average remuneration per worker in the non-agricultural sectors of the economy will rise by about ten percent in 1986 compared with increases of about 12 percent in 1985 and 15,8 percent in 1984.

"Economic considerations will simply force businesses and institutions to continue placing drastic limitations on salary adjustments."

This together with an anticipated rise in the consumer price index of about 14,5 percent and the heavy demands of the Exchequer would result in a considerable drop in the consumer's real disposable income. — Sapa.

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CSO: 3400/544

SOUTH AFRICA

PROSPECT OF INCREASED INFLATION NOTED

Johannesburg THE STAR in English 21 Nov 85 p 20

[Article by Michael Chester]

[Text]

Salaries
of few, if
any,
South
Africans,
will keep
pace with
inflation'

Experts who have researched the current business mood on salary and wage trends give this advice to bread winners awaiting year-end pay reviews: "Strap on your safety belts — the outlook is grim."

Miss Jane Ashburner, head of the remuneration division of P-E Corporate Services, has monitored the forecasts of 1 000 companies which between them have more than a million employees. She concludes:

"The pay packets of few, if any, South Africans will keep pace with an inflation rate widely expected to average out at around 18 per cent for 1985/86.

"In fact," Miss Ashburner added, "quite a number of employees — executives downwards — should brace themselves for actual cuts in their pay packets in several companies that are reaching out for survival kits to see the recession through.

"Many of them take the view 'If we don't hold down salaries and wages we'll go bust and all of our employees will be out of a job'.

SMALL MINORITY

"There are already rumours that a few companies, major corporations included, intend to announce across-the-board cuts in salaries and wages of between three or five percent.

"We have not seen that sort of thing in South Africa in decades — but it is indicative of how tough the going has become for many companies which have decided that retrenchments

or even closing down are the only alternatives to clamping the lid on pay levels.

"Fortunately, the companies planning actual cuts to pay packets are in a small minority but their thinking is indicative of the current grim mood of lots of business sectors.

"Employees in general can expect bad news. Living standards for virtually all of them will decline next year — the fourth year in succession for many white workers.

"Even if there is a mild stimulation of the economy next year it will still take until 1987 for pay trends to improve. With unemployment so widespread, it is unlikely there will be many resignations in protest.

"There will be huffing and puffing — and perhaps a few strikes — but it is unlikely to do any good. Everyone is more inclined to strap on safety belts to hold their jobs rather than risk a battle."

The accompanying set of graphics show that if inflation does indeed grow by 18 percent between July 1985 and July 1986 — a view considered conservative by many economists — pay increases will trail way behind.

TWO EXTREMES

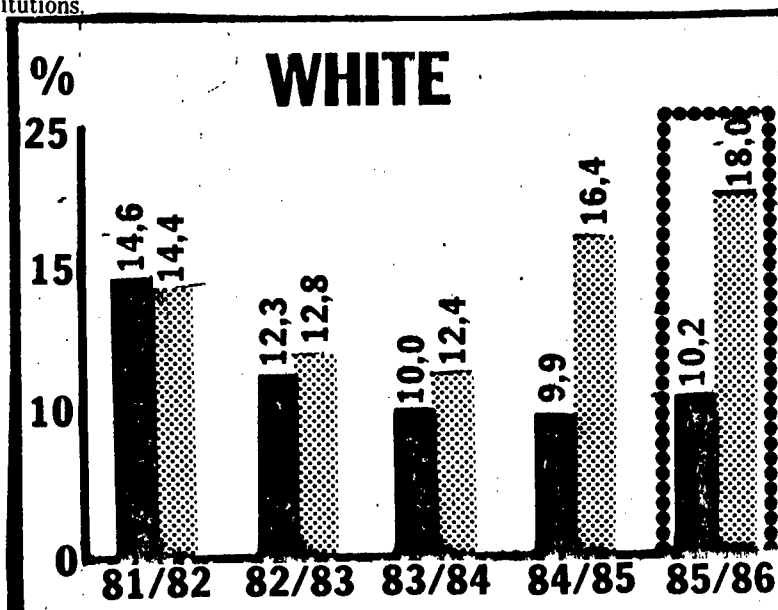
Moreover, Miss Ashburner fears the forecasts collected in the P-E survey may be on the optimistic side and allowance should be made for shortfalls of about two percent in each category of the projections on pay increases.

Also to be considered is that pay decisions are likely to hinge on the outlook as seen sector by sector. For instance, at the extremes pay increases are likely to be slimmest in sectors such as construction and relatively most generous among the financial institutions.

"Lots of companies are genuinely concerned about closing the white/black wage gap," Miss Ashburner said, "but at the moment most of them consider the harsh facts of financial results must be the crux of their decisions on pay.

"In the current economic environment, the consumer price index, normally regarded as an important guide, will take a back seat in deliberations about pay packets."

The computer analysis spells out in simple terms how the 1985/86 pay increases may fall short of inflation for all segments of the population.



BASIC PAY INCREASES

AUGUST 1976 TO JULY 1985



Whites

169,6%

Indians

253,5%

Blacks

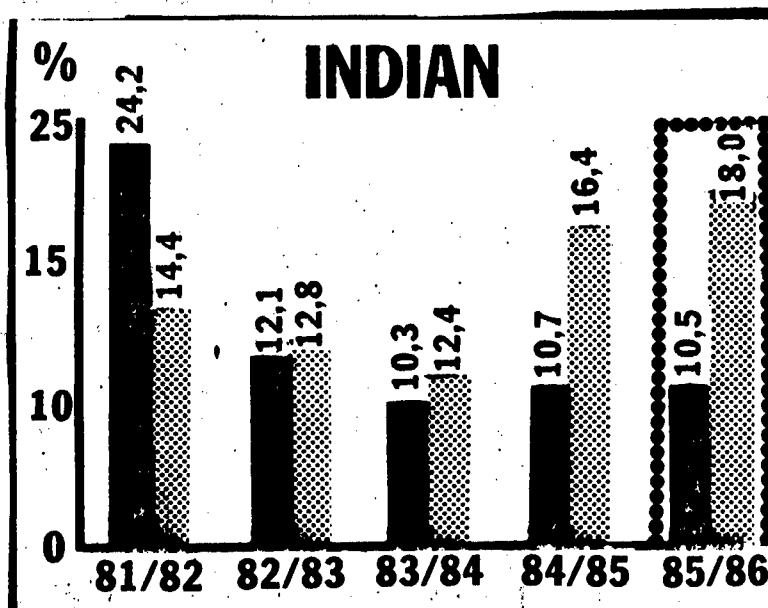
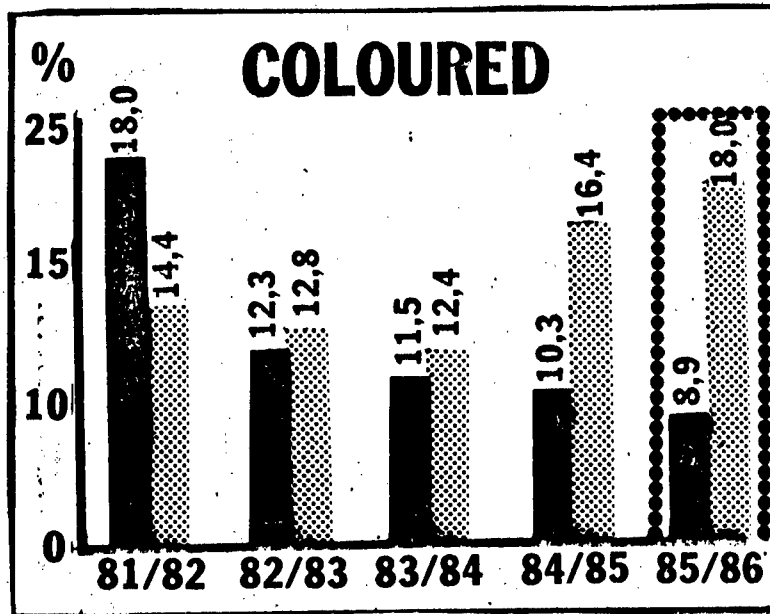
311%

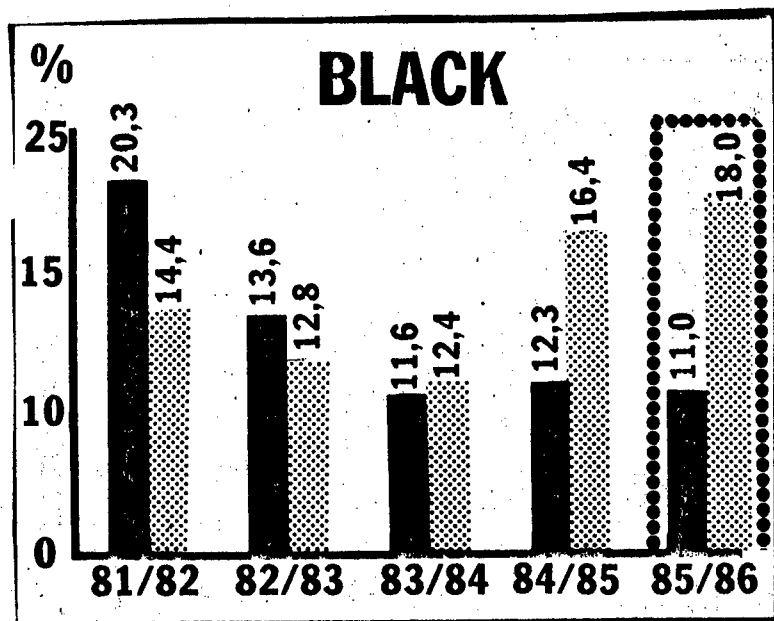
Coloureds

225,1%

INFLATION

203,7%





PAY INCREASES PREDICTED FOR 1985/86							
	Less than 5%	5,0 to 7,5%	7,5% to 10%	10% to 12,5%	12,5% to 15%	15% to 18%	Over 18%
Top Management	4	7	27	47	12	3	—
Senior Management	3	9	28	48	10	2	—
Middle Management	3	9	29	47	8	3	—
SALARIED STAFF							
White	3	7	34	45	10	1	—
Asian	3	5	31	51	10	—	—
Black	2	7	29	50	11	1	—
Coloured	13	38	13	25	13	—	—
HOURLY PAID							
White	6	4	32	42	14	1	—
Asian	5	3	25	44	17	5	—
Black	3	2	24	48	12	9	1
Coloured	4	3	24	46	17	7	—
Artisans	6	7	29	44	12	2	—
Overall Average	4	8	27	46	12	3	—

/12828
CSO: 3400/544

SOUTH AFRICA

PW UNVEILS TAX RELIEF PACKAGE

Johannesburg BUSINESS DAY in English 19 Nov 85 pp 1,2

[Article by Paul Bell and John Tilston]

[Text] Hard-pressed taxpayers are being given a R1,2bn bonus through a package of emergency tax relief measures announced last night by State President PW Botha.

He said that, while government had limited room for manoeuvre, Finance Minister Barend du Plessis was planning to:

- Repay the 1979 loan levy next month instead of in February 1986, returning R216m to individual taxpayers and R432m to companies — a total of R648m including interest and capital;

- Reduce the official interest rate used to quantify fringe benefits on mortgage loans from 18% to 15% from December 1; and

- Remove the 7% levy on income tax from March 1, 1986, effectively decreasing the maximum tax rate to 50% — at a cost of R500m to government revenue.

Botha said: "Government was aware of the heavy tax burden presently carried by the public. While the Margo Commission has already made much progress in its inquiry into the tax system as a whole, government is continuously investigating methods to relieve taxation as economic changes allow.

"Such considerations are naturally also considered against the background of adjustments in economic policy.

"It is already known that government, after reaching certain monetary and fiscal objectives at the end of July this year, has entered a course of moderate stimulation of the economy.

"As a result of the fact that fiscal measures must in nearly all instances be adjusted with the approval of Parliament, room for manoeuvre is limited."

Botha said the cut in the official tax rate would benefit homeowners and participants in share-incentive schemes in particular, and that this and the scrapping of the tax levy were in accordance with previous government undertakings.

He said government was watching to see that excessive demand and its consequent adverse effects on inflation did not develop again.

Turning to the rand/dollar exchange rate, Botha described debate about the decline of the currency as "emotional".

He said: "There appears to be an opinion that the present low exchange rate of the rand can be judged independently from other financial variables, and that it resulted primarily from recent socio-political developments in SA.

"It is a well-known fact that, over a number of years, extremely adverse local and international circumstances inhibited the growth potential of the SA economy.

"This development manifested itself in a number of ways. The rather steep downward trend in the exchange rate of the rand, and a vulnerable position in our foreign reserves and the current account of the BoP are but a few."

The rand had suffered a \$0,94 decline from its January 1981 peak of \$1,36 to \$0,42 in January 1985.

But, Botha claimed, the rand's present level of between \$0,37 and \$0,39 was "only marginally less than" the \$0,42 level of January this year.

Rebutting criticism of the growth in the public service, Botha said the number of central and provincial government jobs had grown from 634 160 in June 1983, to 644 566 in March this year — a growth rate of 1,6% over 21 months.

These officials functioned in three broad categories: regulation (10%), defence (20%) and development (70%). The

area which had experienced the greatest percentage increase was development.

The percentage of teachers for all population groups had grown by 9% overall. Black education alone had gained by 14%, and coloured and Indian education by 9.5% and 6.4% respectively. Defence services had grown by only 3%.

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CSO: 3400/544

SOUTH AFRICA

SMALL BUSINESS DEVELOPMENT STRATEGY OUTLINED

Johannesburg BUSINESS DAY in English 21 Nov 85 p 2

[Article by Chris Cairncross]

[Text]

THE economic affairs committee of the President's Council has called for more freedom for the small-business sector, formal and informal.

In its report, tabled in Cape Town yesterday, the committee says formal small business in SA has played a less significant role in job provision than in most other countries.

It says this results from the restrictions curbing the effective operation of small enterprises.

There is a need to examine all laws, regulations and administrative practices unnecessarily hampering small business development.

The committee sets out guidelines on how the deregulation process can be tackled, recommending that the Competition Board spearhead the task.

It identifies certain discriminatory laws and regulations requiring immediate amendment or repeal and calls for all apartheid to be removed from the business environment.

The principle recommended as a guideline reads: "That discriminating legislation applicable to businessmen of the Asian, black and coloured population groups be repealed or amended insofar as may be necessary to achieve a situation where all businessmen in SA operate their businesses in terms of procedures and subject to standards which are in all respects equivalent; provided that

existing alternative standards, which are less costly and more simple, should be retained without distinction on the basis of race to take into account the needs of developing communities in SA."

Using this principle, the committee identifies specific legislation requiring urgent amendment or repeal.

These include the Black Administration Act, 1927, and the Blacks (Urban Areas) Consolidation Act, 1945, and the regulations made under these statutes that apply specifically to black traders.

The committee refrains from calling for the total repeal of the Group Areas Act.

Instead, it limits its recommendations to those sections of the Act restricting trading in controlled areas.

Chairman Francois Jacobsz said yesterday this limited approach was adopted because it was realised early on that it would be impossible to reach consensus within the committee on the principle of the Group Areas Act.

The committee agrees with a recommendation by the constitutional affairs committee that influx control be abolished.

It proposes land ownership rights for blacks, but without the abolition of other forms of rights — 99-year leasehold and deeds of grant.

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CSO: 3400/544

SOUTH AFRICA

SHOE INDUSTRY LOOKS TO EXPORT MARKETS

Johannesburg BUSINESS DAY in English 21 Nov 85 p 9

[Article by Lawrence Bedford]

[Text] OVERSEAS consumer resistance to South African labels could damage prospects for South African footwear exports, Footwear Manufacturers' Federation (FMF) president Sam Davidson warned yesterday.

Tanners, however, believe exports are the only way to compensate for the decline in domestic consumer spending.

The top end of the R450m-a-year footwear manufacturing industry has already seized on the weak rand to seek overseas markets.

M&S Spitz chairman Anthony Spitz said yesterday his company was exploring export prospects in Europe and the United States.

He said exports already accounted for about 20% of production.

However, National Productivity Institute (NPI) footwear manager Andy Bax said the industry lacked a formal exporting programme and needed help in investigating export possibilities.

South African Tanners Association president Ulrich Hanni said the industry had burnt its fingers on exports in 1979-80.

"Having gone big, the rand strengthened and killed planned exports of women's fashions to Canada."

However, he said tanners were now almost dependent on exports of finished

leather and other high-priced hide products.

"Exports are the only way to compensate for the drop in domestic consumer spending."

He said few tanners were working at full production capacity.

Overheads, particularly imported chemical costs, had risen by 30% in the last two to three months.

FMF's Davidson said the number of shoe factories had declined in the last three years and the labour force had shrunk appreciably.

Output had also declined, he said.

SOUTH AFRICA

WEAK RAND SLOWS DIGINET EXPANSION

Johannesburg BUSINESS DAY in English 21 Nov 85 p 8

[Text]

SA's AMBITIOUS "Diginet" programme to provide a high-power, nation-wide digital network for data communications has been hit by the weak rand, which has forced the Department of Posts & Telecommunications (P&T) to defer some equipment orders.

While installation of the network — for which R100m has been budgeted — is going ahead, the number of circuits that P&T will be able to provide will be reduced, according to telematic services director Gus Greve. Whereas it had been hoped to achieve a 40% penetration of the modem market within three to four years, this target has been reduced to about 25%. Achievement of 40% could take five years or longer — "depending where the rand goes to," Greve told *Business Day*.

"The budget doesn't stretch and we can spend only up to the budget provision in any one year. However, we have managed to cut some fat out of the original plan," he says.

In order to provide the best service possible, P&T has decided to reduce spare capacity from three years, in the original plan, to only 18 months.

While P&T has long had a policy of encouraging local manufacture, most equipment at this early stage of Diginet is imported. However, local content will increase as manufacturers bring new operations and line and this should, he says, help to stabilise equipment prices.

At present the cutback is being cushioned by the fall in the demand for data services as a result of the recession. Growth in demand, which had been running about 46% a year, is now down to about 30% and could fall even lower.

Also, one supplier's loss is another's gain, and the cutback should make for continued strong demand for modems (devices to send digitally-coded information over analogue telephone lines).

Such transmission is, however, inherently less efficient so demand for Diginet services can be expected to increase rapidly during the next upturn.

Demand for modems

Greve stresses that not all users face a delay, but he admits that P&T will be less able to cope with a sudden expansion in the demand for circuits.

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CSO: 3400/544

SOUTH AFRICA

LASERS 'SOON TO BE MADE IN RSA'

Johannesburg BUSINESS DAY in English 19 Nov 85 p 6

[Text] SOUTH AFRICA is likely to have its own laser manufacturing operation within three to five years, according to Tom Haines, a senior executive at Control Lasers UK.

Haines was in SA as a guest of Industrial Lasers Systems (ILS), his company's SA representative.

ILS says Haines is a key figure in the Control Lasers-Industrial Laser systems negotiations and feasibility studies on the viability of establishing a local joint venture manufacturing facility. He and ILS MD John Bond foresee large laser machine tools being manufactured locally within five years — maybe sooner.

Although lasers are often viewed as a Cinderella technology in SA, Bond is adamant the laser age is dawning locally and that the technology is poised to enter a strong growth phase that will be relatively immune to economic trends.

"In spite of recent economic trends there has been an upsurge in enquiries and sales of industrial laser systems, and we at ILS foresee a healthy growth in this market for a long time to come," says Bond.

"The reasons are simple. The laser offers a cost-effective alternative to many conventional machine tool technologies. It is a versatile, precise, efficient and reliable medium for a multitude of materials processing functions. These include welding, drilling, heat treatment, cutting, trimming and marking (eg bar coding)."

According to Haines, the question of establishing a South African joint venture manufacturing facility has been under active consideration for some months and the two companies have been undertaking the final phases of their feasibility study.

"South Africa, like some of the other more progressive developing industrial nations, has a promising future if laser technology is applied more widely in fields such as the automotive industry, general component manufacturing and materials profiling.

"The country, according to my impressions, needs to compete more vigorously in the international markets and its products will, therefore,

have to be priced more competitively. To achieve this one has to look towards more cost-effective technologies and manufacturing techniques. The laser has already proved itself in such countries as Japan, Germany, England and the US."

When SA accepts industrial laser technology more readily, end-users and laser suppliers will have to collaborate more closely in refining the design and application of the technology. A tailored turnkey approach will be the route to pursue in the near future, judging by recent developments in Western Europe, he says.

SOUTH AFRICA

INDUSTRY, ENGINEERS LAUNCH PROJECT

Johannesburg THE CITIZEN in English 28 Nov 85 p 27

[Article by Madden Cole]

[Text] THE South African Institution of Mechanical Engineers (SAIME) has launched a scheme by which a cross-section of industry will work together with the engineering profession to help solve the economic problems of the country, president of the SAIME Professor Roy Marcus announced yesterday.

The company affiliate scheme will be launched in Johannesburg tonight.

"The SAIME believes it is of vital importance for South Africa to have a clear-cut industrial strategy," Prof Marcus said.

"The council is concerned about the need to define a number of industrial strategies which could be forwarded to the Government."

The company affiliate scheme is an innovation developed by the SAIME in an attempt to promote a closer working relationship between the SAIME and the industries which are essentially mechanical engineering by nature.

The scheme will also facilitate the formation of close links with industry and thereby jointly identify the most appropriate ways of promoting mechanical engineering in South Africa, Prof Marcus said.

"The council is also concerned about the problems of the brain-drain and the urgent need to find suitable ways of training adequate engineers of all race groups.

"It is now time for engineers to use their talents and identify

areas in which they, in their professional capacity, can contribute to the future well-being of South Africa," Prof Marcus said.

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CSO: 3400/544

SOUTH AFRICA

RAND MINES DEPEND ON MINERAL EXPORTS

Johannesburg THE CITIZEN in English 28 Nov 85 p 25

[Article by Madden Cole]

[Text] RAND Mines' financial results for the year ahead should be marginally better than those for the past year if there is no unforeseen deterioration in the political and economic spheres, says chairman "Dammy" Watt in his latest statement.

This means that Rand Mines could produce another set of record results in 1986. Last year the group increased its bottomline profit by 36 percent to just under R111-million — the first time ever that the R100-million mark had been passed.

Mr Watt says prospects for the coming year are heavily dependent on the acceptability of overseas mineral exports of South African origin.

"Competition is intensifying and attitudes are hardening in banking and business circles."

Mr Watt feels the likelihood of an economic recovery in the year ahead

is remote and the weak exchange rate is expected to continue.

"Insofar as our main trading partners overseas are concerned, there is now clearly a crisis of confidence about the situation in the Republic and credibility internationally has become a major problem."

But Mr Watt is confident about the South African economy in the longer term, providing the Government's resolve to implement meaningful political reform is translated into demonstrable legislative action in the near future.

He expects the gold price to fluctuate in its present fairly narrow trading range in US dollar terms in the foreseeable future, so that the challenge to the gold producers in the group will again be to maintain a satisfactory margin between revenue and costs.

Although international coal demand is increasing modestly, it is expected

supplies will exceed demand as new coal mines come into production in most of the major coal exporting countries, Mr Watt says.

"Under these conditions, competition will inevitably be intense and margins will be under pressure," he said.

SOUTH AFRICA

SECOND TUNNEL PLANNED FOR DUTOITSKLOOF

Johannesburg THE CITIZEN in English 26 Nov 85 p 4

[Text]

CAPE TOWN. — A second tunnel — closely parallel to the first one — is to be constructed through DuToitskloof mountain, the Minister of Transport, Mr Hendrik Schoeman, announced yesterday.

He was speaking at a reception to celebrate the joining up of the two sections of the initial 4 km tunnel — the largest in the Southern Hemisphere.

The second tunnel will make dual carriageway traffic under the mountain possible. The additional R16-million required for the second tunnel will bring the total cost of the combined project to R126-million.

Mr Schoeman said the same contractors, Concor-Hochtief, would handle the development of the second tunnel.

A Press release from the Department of Transport said the decision to build only a single tunnel had been taken during the 1970s when — just after the oil crisis — indications were that traffic growth would be minimal and the capacity of the single tunnel sufficient until the early years of the next century.

Continued traffic counts had, however, indicated that the increase in heavy vehicle traffic over the pass was about eight percent a year.

"To this must be added the fact that the tunnel in itself will be a traffic generator by attracting vehicles which are using alternative routes, by encouraging trips and even by stimulating economic growth through improved road communication."

Mr Schoeman said in an interview afterwards that the single lane structure of one tunnel in both directions would cause a bottleneck — traffic on the Paarl side would have to be reduced to a single lane at the tunnel after driving on a dual carriageway to the entrance.

He said the decision to develop the second tunnel had been taken "with careful regard" for the economic climate.

It was estimated that the scheme would pay for itself through the toll system within 18 to 20 years.

He said research had shown that 26 percent of the traffic using the pass was lorries.

The tunnel will shorten the road distance between Paarl and Worcester by 11 km.

The director of Concor construction, Mr Leo Rohrig, said the opening date for traffic for the initial tunnel in 1988 would not be affected.

"Mobilisation for the second project effectively starts now, but actual construction will begin in January and should take 12 months," he said.

Mr Schoeman cranked the detonator to blast open the first tunnel about 11.20 am yesterday 2 km inside the tunnel.

About 180 kg of dynamite was used to blast open the last 250 cubic metres of granite. The milestone event took place three months ahead of schedule. — Sapa.

SOUTH AFRICA

BRIEFS

BLACK HOUSING NEEDED--DURBAN--Much more still needs to be done to create a positive climate for urban and housing development, says Dr Andreas van Wyk, director-general of Constitutional Development and Planning. Opening the conference of the South African Institute for Housing in Durban, Dr van Wyk said issues receiving attention were: O Establishment of a local and regional authority framework politically acceptable to the community it served. O A new financing system for existing and future towns and residential areas. O New structures and a planning system to ensure the provision of sufficient land for urban development. O Better standards for planning and control of residential density and appropriate infra-structural standards. [Text] [Johannesburg THE STAR in English 20 Nov 85 p 23] /12828

EXPORTS TO ISRAEL--The growth potential of trade between SA and Israel is unpredictable, according to SA Israel Chamber of Commerce chairman Joe Hallis. Exports from Israel to SA increased by 15% in rand terms between January and May this year. SA exports to Israel increased considerably in volume and by 53% in rand terms. Hallis said Israel's economy was being overhauled and SA businessmen would be able to send more products to the country for finishing. [Text] [Johannesburg BUSINESS DAY in English 19 Nov 85 p 3] /12828

RSA-AUSTRALIA SHIPPING HIT--ANTI-SA activity by Australian dockers has forced up freight shipment rates between the two countries by 15%. Safocan, the only direct scheduled sea link between Australia and SA, announced yesterday it had imposed a 15% "special circumstance" surcharge on cargoes in both directions. MD Joop Weddepohl said Australian union action was influencing sailing schedules and having "an adverse financial effect". He said the line--a 50-50 operation between Safmarine and Nedlloyd--had managed only three sailings since July instead of the scheduled five. In that period, boycotts, picketing and bomb threats had caused a total of 65 lost operating days. Adding that the surcharge would be imposed with immediate effect, Weddepohl said: "This surcharge will only partly compensate us for losses as a direct result of Australian union actions, but we realise that Safocan has a role to play in providing the vital trading link between South Africa and Australia." Safocan cargo holds to Australia are presently "absolutely full", according to Weddepohl, but only 50% full in the other direction. [Text] [Johannesburg BUSINESS DAY in English 21 Nov 85 p 9] /12828

SWAZILAND

COMMENTARY NOTES COUNTRY'S STAND AGAINST SANCTIONS

Mbabane THE TIMES OF SWAZILAND in English 28 Oct 85 p 7

[Text]

SWAZILAND'S
firm stand against
sanctions against
South Africa is re-
assuring.

It would be foolish
for Swaziland to re-
main neutral or side
with countries in
favour of the disinvest-
ment campaign
against South Africa
because this would
have a boomerang ef-
fect to the country.

Right from the
onset, Swaziland has
economically depend-
ed on South Africa.
The country has
grown, developed and
is what it is through
its dependence on
South Africa.

We do not support
apartheid, we are
against it and abhor
the practice. It pains
to the bone to see
our brothers robbed
of their human rights
and reduced to nonen-
tities.

If there was a way
we could help them we
wouldn't hesitate to
come to their rescue.
We are a small coun-
try still developing
and there is no way we
can help them.

We can not even
shelter the freedom

fighters. South Africa
made it clear that a
neighbouring country
that shelter freedom
fighters and is used as
a springboard will
face the fullforce of
the South African ar-
my.

These guys are not
a joke. They stick to
their word and there
have been instances
where they have laun-
ched raids in places
where the freedom
fighters stay and have
wreaked havoc.

In most cases inno-
cent civilians are kill-
ed and a lot of damage
is done to property.

Small as we are, we
have nothing to pro-
tect ourselves from
our fearful giant
neighbour. They can
land one blow and flat-
ten the whole country.

What can we
benefit from it. A lot
of innocent people can
suffer for something
out of their scope.

In the first place we
did not create apar-
theid. Those who
started it should end
it. Each and every
country has it's own
problems and have got
ways of solving it.

Like Swaziland has

a problem of being small country and not self reliant. To overcome we economically rely on South Africa.

People in Swaziland are presently leading a carefree and easygoing life. We have got nearly everything vital to life. We have not been through hardships.

Our leaders are also concerned about our welfare. They see that the whole nation can suffer bitterly if we pretend not to care about South Africa.

If the links with South Africa are severed off, who can come to our rescue. Those countries in favour of the disinvestment campaign against South Africa, will they come to our rescue and help us.

The disinvestment campaign is a good idea. But it is not South Africa that will suffer, neighbouring countries are going to feel the pinch.

Swaziland can be described as "handicapped". Hating and labelling the country as a black sheep or a sellout, is like accusing a handicapped person for being disable.

We are at the mercy of South Africa. If they can decide to put a stop on economical assistance the whole industry can ground to a halt.

Thousands of people can be left jobless and problems can pile up against another. Chaos and turmoil can be the order of the day.

We are landlocked

and our geographical position make it impossible to make other means of helping ourselves economically.

The smallness of our country make other people think that we are a minor nation and useless and therefore we must obey developed and big countries and do what they do.

Life is most important in this world. We all want to live peacefully and cheerfully. We do not want to suffer.

In our helpless state, we can not do away with South Africa. If we knew that at a certain time of the future things will reach a crisis, we wouldn't have relied on South Africa economically.

We would have sought other ways. The problem is we are used to this kind of life and thousands of people can be affected if the present way of life is changed.

This does not mean that we do not believe that a change will come to South Africa. Definately it is going to come and we are looking forward to it.

It may not come now, but years to come. We hope our generations will not suffer for the stand Swaziland has taken against sanctions against South Africa.

We might be dead by that time. We hope that they will be not accused of decisions made by their forefathers.

**South Africa must
also realise that it is
creating a turmoil and
should seek ways of
solving the problem as
innocent nations are
going to suffer for its
unpopular apartheid
policy.**

/12851

CSO: 3400/414

SWAZILAND

BHEKIMPI WARNS ARMED FORCES AGAINST POLITICIANS

Mbabane THE TIMES OF SWAZILAND in English 4 Nov 85 p 1

[Text]

THE Prime Minister, Prince Bhekimpi, has warned the armed forces to be wary of politicians who try to woo them for political mischief.

Prince Bhekimpi was addressing new police recruits at a pass-out parade at the police college in Matsapa.

He said he was aware of certain elements who were going about trying to solicit police support to subvert the constitutional authority of the country.

"The sole duty of a

policeman is to maintain and enforce law and order," he said.

He warned them to refrain from involving themselves in the evil machinations of plotters.

Three battalions of newly trained police officers graduated after twelve months of training. He said the time had come for them to be exposed to the difficulties of the outside world.

He said as police officers the state expected them to stick to the ethics of their profession and execute national duties just and fair.

The Prime Minister further told the graduates that as police they were expected to pay allegiance to the Head of State all the time and respect their

fellow countrymen regardless of their social status.

"By so doing, you would have accomplished the goal of your profession," he said.

The Prime Minister further told the parade that police were there to guard the community against crime. He said therefore it was imperative that a police officer should station himself at a vantage position that would make a would-be criminal obey the law.

For the better success of their work, Prince Bhekimpi said prayer, determination and honesty were the key leads.

The ceremony was attended by cabinet ministers, members of the Royal household, diplomats and senior government officials.

/9317

CSO: 3400/507

SWAZILAND

PROBLEMS STEMMING FROM BORDER DEMARCATION DISCUSSED

Mbabane THE TIMES OF SWAZILAND in English 6 Nov 85 p 5

[Text]

THE border row is taking many forms as various factions try to control the lives of more than 750,000 Swazis living in South Africa.

On the KaNgwane front, a number of defactions have occurred from the border readjustments chiefs to join the Inyandza Movement led by Enos Mabuza.

Notably it is the faction of Prince Mkolishi of Embhuleni, who, it is alleged has been promised the position of Paramount Chief with a fat salary from the South African Government. The position of Prince Mkolishi would effectively be the same of that of King Goodwill Zwelithini of KwaZulu as opposed to Gatsha Buthelezi in the form of the diminutive Enos Mabuza.

Mabuza, a sharp witted politician who has a good education and a penchant for expensive clothes has recently recommended high salaries for his cabinet and himself.

If approved by the homeland assembly, he will be paid E45,636 per annum with a further untaxable allowance of E8,000 per annum.

His cabinet ministers will be paid E4,255 per annum with an untaxable E7,000 per annum. The speaker will be paid E15,906 the deputy speaker E14,913 per annum.

With these kind of salaries one can hardly expect the anti border readjustment elements to relent.

Another argument has been that some teachers were leaving the teaching service in Swaziland to join KaNgwane.

This can hardly be regarded as a political decision as the financial stakes are high, with the headmaster of a high school standing to get a salary of E25,000 per annum.

Those teachers who are from KaNgwane are alleged to have received threats of dismissal should they step out of the Mabuza line. Once again with this kind of money involved, the teachers can hardly be blamed except to state that they should view national interests before money.

Such a threat was made recently by the homeland minister for education, Mr E.C. Mango in a cultural rally.

Contrary to common policy that public servants should not be involved in politics, KaNgwane teachers are forced to be party carrying members of the Inyandza Party

and are threatened with dismissal if they either wish to join the Inyatsi Yamswati party or on being neutral.

School inspectors also claim to have been used as vehicles to convey Inyandza politics or organise rallies. Once again those who refused are either sacked or demoted, according to sources.

An official in the department of interior was recently demoted because he had persisted on civil service neutrality in a meeting at Mgwenya. The college at Mgwenya had to be closed following this incident, but has since been re-opened.

Mr Mabuza has blamed Inyatsi Yamswati for the disturbances at the college and among school children elsewhere. But both sides have been hurling accusations and counter accusations since the dispute came

to the open in recent months.

In the situation at Mgwanya, it was reported that government cars were burned and windcreens broken. South African police had to be called in to save the situation. But a spokesman for the Inyatsi Yamswati denied the accusations.

As far as Inyatsi Yamswati is concerned students all over South Africa are rioting in protest of the Bantu Education system.

Mr Mango accused the South African Government of separate education in-

stitutions but at the same time he agrees or volunteer to be an instrument of implementing the useless Bantu Education.

He alleges that in their struggle against the incorporation of KaNgwane into Swaziland, they never resort to violence when in fact there were genuine cases where they have applied violence.

Mr Boniface Shongwe and David Lukhele were assaulted during a public meeting on border adjustment.

When the case was heard at the Circuit Court a man was seen

accompanying the accused persons and he paid E4,000 bail for each of the three accused.

The Inyatsi Yamswati is denied the right and freedom of speech and to hold public meetings. Each time they apply the requests are turned down under the Internal Security Act.

On the Ngwavuma front, certain chiefs are facing possible banishment from their respective areas because of their stand on the border issue. One such Chief, Johannes of the Mngomezulu has been threatened with a replacement.

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CSO: 3400/507

SWAZILAND

OFFICIAL DEFENDS TURNING BACK REFUGEES

Mbabane THE TIMES OF SWAZILAND in English 5 Nov 85 pp 1, 16

[Text]

THE crisis caused by the uncontrollable flood of illegal immigrants from Mozambique is now causing a headache for the government — both internationally and at home.

The Minister for Foreign Affairs, Mr Mhambi Mnisi, told parliament that a lot of lies and insults are being levelled that Swaziland is turning back refugees in contravention of international regulations.

He emphasised that most of these people were not refugees, and in fact some of them were common criminals who cause a lot of problems for the ordinary public once they are here. He said they cause an administrative problem too.

He revealed that the government had invited a delegation from the OAU headquarters in Addis Ababa. "We

want the world to see for itself the difficulties we face as a government," he said. "They will do an on-the-spot check to see the problems we face," he said.

"They would not be here if we were not knocking on doors to clear our name about the false allegations that we kill refugees. We have never killed any refugees, but it is the people who are not even political refugees who come here to kill Swazis. That puts us in a very difficult position," he added.

Mr. Mnisi said he was glad that the delegation from the OAU expressed appreciation of the problems.

The discussion emanated from a question directed at the Minister for Interior, Mr. King Mketwa, who is responsible for refugees. The question was asked by Mr. J.N. Mamba, MP.

He wanted to know:

How long the killing of members of the police force by illegal Mozambican immigrants would be allowed to continue; if anyone was allowed to possess a firearm without a licence; what constructive efforts were being taken to curb these disruptive elements; if the Mozambicans had not broken UN regulations which they must obey while in Swaziland; and how long government would continue giving sanctuary to these as they have failed to observe the laws of the kingdom?

The minister explained that he would not say how long the crimes would continue as these people sneak in without anyone noticing them and that the government was doing its best to alleviate the situation. He said that last week a delegation from the government of Mozambique was here to discuss the problem.

SWAZILAND

CALL TO SURRENDER ILLEGAL GUNS

Mbabane THE TIMES OF SWAZILAND in English 8 Nov 85 pp 1, 20

[Text]

THE Assistant Commissioner of Police, Mr. Mnguni Simelane, has stated that the large number of guns found in many parts of the country were deposited by members of the ANC.

Speaking in an interview with The Times he said that ANC guerrillas brought some guns with them to the kingdom and these guns were accidentally left with local citizens.

Apparently it has been happening that the ANC men ask to keep their guns with some local residents and when they

are arrested by police, the person with whom the guns are kept will not surrender them to the police.

Simelane further pointed out that they keep the guns with them and are eventually tempted to use them — for instance, conducting armed robberies.

He also added that some of the illegal guns come from neighbouring states such as Mozambique.

Simelane advised the public that when one happens to be in possession of any illegal weapons one should surrender them to the police and no charges will be laid against them if they surrender the guns themselves.

/9317

CSO: 3400/507

SWAZILAND

TEACHERS SEEKING BETTER PAY IN SOUTH AFRICA

Mbabane THE SWAZI OBSERVER in English 6 Nov 85 p 4

[Article by Martin Matse]

[Text]

THE Minister of Education, Mr Dabulumjiva Nhlabatsi has said teachers leave to teach in South Africa and the homelands because they get better pay there.

Mr Nhlabatsi identified this as the main cause of the drain in the teaching force, saying that, they move for greener pastures.

He was responding to a question asked by a member of the House of Assembly, Mr Khisimusi Mahlalela on Monday.

Making an example, Mr Nhlabatsi said in the Republic of South Africa and the homelands, a graduate headmaster earns up to E24 000 at the end of the year while in Swaziland their pay is estimated at E9 912 per annum.

Mr Nhlabatsi said in South Africa an ordinary graduate teachers earns up to E10 000 while in Swaziland he can only receive E6 312.

He refuted however reports that the drain had reached exodus levels saying the ministry has investigated on the issue and found that it was not true.

In a supplementary question another Member of the House of Assembly, Phenyane Mamba asked Mr Nhlabatsi why some teachers sometimes teach up to a period of six months without receiving their pay.

He also wanted to know if Mr Nhlabatsi visited schools to check on the situation of their accommodation before posting teachers to them.

Mr Nhlabatsi said it was indeed true that some teachers used not to receive their pay at the right time. However he said, such a situation now has been eradicated.

He explained to the House of Assembly that this was because of the weakness of the teachers to fill their employment forms when they were hired by his ministry.

He said following this, his ministry launched a programme which was meant at showing the teachers how to fill their employment forms.

He appealed to the other Members of the House of Assembly to make him aware if there were teachers who still don't receive their pay.

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CSO: 3400/507

SWAZILAND

NEW CLOTHES FACTORY TO CREATE JOBS

Mbabane THE SWAZI OBSERVER in English 7 Nov 85 p 4

[Article by Khethiwe Simelane]

[Text] A clothes factory to manufacture shirts for export to the United States of America and Canada will open at the Matsapha Industrial Sites next week.

The factory, which is being opened by an international group--"Gideons Manufacturing," is estimated to employ 1 000 Swazis. The manager and shipping manager of the South Africa factory, Mr Neil Willmott and Mr Barry Wilson, respectively, are presently in the country finalising details on the opening next week.

"We have our premises and are waiting for the alterations on the building to be completed by the National Industrial Development Corporation (NIDC), said Mr Willmott.

"We are waiting for the arrival of our machinery from abroad which we expect to collect at the Durban harbour by Sunday. We then hope to have the machinery installed in the building next week, and immediately start work," he added.

Mr Willmott said that the company will initially employ 250 people.

"We will be having technicians from South Africa and Taiwan who will train our employees on how to operate the machines. The training will be done on the job," he said.

The factory will make flannel shirts, which, said Mr Willmott, are the Western long-sleeved shirt that are now popular in the US.

He said that the company also hopes to extend to other areas as soon as NIDCs considers the extension.

"We will probably extend to lines like making pyjamas and track suits," he said.

The company hopes to have its first shipment out of Swaziland before the end of the year.

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CSO: 3400/507

SWAZILAND

BRIEFS

ILLEGAL ARMS--MBABANE--Large numbers of guns and other weapons allegedly left behind in Swaziland by members of the ANC are causing serious concern to the Swazi police. The Assistant Commissioner of Police, Mr Mnguni Simelane, has called on all people in possession of illegal weapons to surrender them at once to avoid prosecution. He said many of the firearms were brought into Swaziland illegally from neighbouring states by members of the ANC. Many of the ANC members had left their guns behind with Swazi citizens. Some of those in possession of illegal arms were using them in crimes, he said.
[Text] [Johannesburg THE CITIZEN in English 9 Nov 85 p 8] /12851

PM DEFENDS SA LOAN INTEREST--MBABANE--The Swazi Prime Minister, Prince Bhekimpi, has criticised the publicity given in the local Press to MPs grumbling about South African interest rates on loans to the Swaziland Government and also criticised the MP concerned. Prince Bhekimpi was referring to criticism in Parliament by members this week about the six percent interest being charged by South Africa on a R9-million loan for a Swazi road reconstruction programme. He said: "We Swazi's are the ones who need and ask for the aid."
[Text] [Johannesburg THE CITIZEN in English 9 Nov 85 p 9] /12851

CSO: 3400/414

TANZANIA

BRIEFS

AID FROM NORWAY--Dar es Salaam--Tanzania will receive a grant of 90 million shillings from Norway for 4-year petroleum support program. Under an agreement signed in Dar es Salaam today the money will be used to strengthen the development of the petroleum sector in Tanzania. The program begins next year. [Summary] [Dar es Salaam Domestic Service in Swahili 1600 GMT 22 Nov 85 LD] /6662

CSO: 3400/519

UGANDA

BRIEFS

OKELLO GREETES ANGOLAN PRESIDENT--The chairman of the Military Council and head of state, General Tito Okello Lutwa, has expressed Uganda's desire to see Angola become a strong and prosperous nation, as it continues to fulfill the aspirations of her people and to contribute to the struggle for independence and justice in Namibia and South Africa. In a message of congratulations to President Eduardo dos Santos on the occasion of Angola's independence anniversary, Gen Okello Lutwa reiterated Uganda's commitment to strengthen the ties of friendship and cooperation for the benefit of the two countries.
[Text] [Kampala Domestic Service in English 0700 GMT 12 Nov 85 EA] /8918

CSO: 3400/462

ZAIRE

BRIEFS

AMBASSADOR TO CONGO--[No dateline as received]--Marshal Mobutu Sese Seko, MPR founding chairman and president of the republic, has appointed Citizen Yende Buku as ambassador extraordinary and plenipotentiary of Zaire to the People's Republic of the Congo, a release, issued by the Ministry of Foreign Affairs and International Cooperation and handed over to the ZAIRIAN PRESS AGENCY on Tuesday, announced. [Text] [Kinshasa AZAP in French 0915 GMT 16 Oct 85 AB] /8918

NEW PUBLICATION--ZAIRE FLASH, a new newspaper of opinions and general information, has just been published in Kinshasa. It is a newspaper that carries mostly economic news items. In its maiden edition, its editor in charge, Citizen Moaka-Toko, wrote that ZAIRE FLASH was created by some patriotic sons to support the revolution and to inform its readers objectively. [Excerpt] [Kinshasa AZAP in French 1610 GMT 17 Oct 85 AB] /8918

CSO: 3400/514

ZAMBIA

EDITORIAL PRAISES CALL FOR WITHDRAWING WORKERS IN RSA

MB200535 Lusaka TIMES OF ZAMBIA in English 8 Nov 85 p 1

[Text] Independent Southern African countries might not be economically so powerful as to inflict a devastating blow on the economy of racist South Africa in the imminent international economic embargo against the apartheid regime.

But we believe that in the same manner as the Western countries have the economic clout on Pretoria, the frontline states too have a big weapon at their disposal: the workers.

The minister of labour and social services, Mr Frederick Hapunda, is therefore dead right when he says that the workers' power in South Africa can no longer be ignored.

It is true that the workers are capable of paralysing the economy of the racist republic, forcing the Boers to abandon their abominable system.

Mozambique, Angola, Malawi, Swaziland, Botswana, Lesotho, Zimbabwe and Zambia, all contribute migrant workers whose sweat keeps the South African economy bustling.

We agree with Mr Hapunda entirely that these countries should recall their nationals from the South African mines, farms and various other industries.

We believe this would be the most significant contribution by the frontline states to the international economic war against the racists.

Mr Hapunda who was addressing the opening sessions of the Southern African Labour Commission [SALC] meeting in Lusaka could not have hammered the point home more accurately when he said the wealth generated by the workers in South Africa was a major contributor to the sustenance of apartheid.

We know that by withdrawing their nationals from South Africa, the frontline countries would suffer the resultant effects of more unemployment.

We also know that the economies of these countries are not healthy enough to sustain more burdens arising from the measures they would take to contribute to the downfall of apartheid.

But we are fully convinced, that there is no price too high for such a just cause, as saving humanity from the catastrophe that is imminent in South Africa and the whole region should apartheid not be dismantled as quickly and as peacefully as possible.

We hope Southern African countries which are the closest to the boiling pot in South Africa will act quickly and in unison to lead the economic war against the racists, it is the only way for the rest of the world to see the situation in the right perspective.

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CSO: 3400/514

ZAMBIA

KAUNDA SAYS GOVERNMENT TO REDUCE SPENDING

Lusaka ZAMBIA DAILY MAIL in English 1 Oct 85 p 1

[Text] **GOVERNMENT has introduced a new budget system covering three years to control expenditure and rigidly control priority projects, President Kaunda said yesterday.**

Dr Kaunda also warned workers against making demands for higher wages to a point where they could jeopardise their own employment.

Speaking when he officially opened the 20th UNIP National Council at Mulungushi Hall, in Lusaka the President said rigorous discipline needed to be imposed on the planning mechanism so that only priority expenditure for which there were resources was undertaken.

"Cuts in expenditure in certain areas of Government budget need to be made now and in making these cuts, we should be guided by clear principles so that we continue to act within the framework of our socialist ideology leading to Humanism."

As the coming days would be even more difficult for both management and workers, employees should make realistic wage demands to safeguard jobs.

He explained that it was in this light that Government had taken deliberate measures to make the importation of capital machinery including that for agriculture more expensive.

The move was aimed at counteracting industries' tendency of preferring capital to labour.

Reiterating his warning for tougher days to come, he said there would be tremendous challenges which would require industries to "slim again and again in order to survive."

In that slimming exercise, labour should not be the sacrificial lamb adding that sensible employers should grasp the opportunity for the substitution of capital to labour as government was determined to make it more expensive for them to employ capital.

For its part, Dr Kaunda assured that Government was ready to consider with the Zambia Federation of Employers (ZFE) and the Zambia Industrial and Commercial Association (ZINCOM) specific incentives for increased employment.

While the President upheld workers' right to free collective bargaining, he appealed to them to continue showing the reticence, responsibility and spirit of accountability which had always characterised the members of the Labour Movement.

"Employment is a function of the condition of the industry or company. Where a company is consistently losing money it cannot maintain employment unless workers were to agree to work free of charge."

He emphasised that the economic situation in Zambia was very grave and that its further deterioration since the last National Council only served to underline the gravity.

He called on the nation not to be deceived by appearances of affluence here and there as things were not well and would only improve if people retaliated with strength and resolution against the forces of economic disintegration which have beset the country.

"I know we shall triumph eventually even though it

will be against great odds. We shall triumph because the people of Zambia are at last making their economic survival their own business," he said.

Turning to Zambia's external debt, President Kaunda told the councillors that this was higher as compared to the country's gross export receipts.

Zambia's deficit was unacceptably high in relation to its Gross Domestic Product (GDP) but the increase in export receipts by exporting local products will reduce the problems of servicing external debts.

"If we increase greatly, the total production of activity and therefore the wealth of Zambia, there will be no problem about the present level of borrowings for the government budget from the Bank of Zambia. In short if production increases, then all will be well," he assured.

On Government failure to subsidise a number of essentials, including mealie meal, the President pointed out that the means of doing so had greatly diminished.

Unless the Party and its Government had resources to keep subsidising mealie meal, the desire to subsidise would soon become an irrelevant theoretical ideology.

As the copper industry was no longer lucrative because of dwindling prices on the world market, Dr Kaunda called for a cut-back in the country's consumption of foreign exchange until "that consumption is brought in line with our means."

He however, said that this involved a structural adjustment that was far-reaching as the Government did not only need to

cut on an already intolerably reduced import volume, but re-ordering the economy to be able to earn foreign exchange.

President Kaunda also told the councillors that the Government was finding it increasingly difficult to meet the requirements of health and education services.

The University Teaching Hospital (UTH) was one institution where a recent ZIMCO study revealed that the hospital was grossly understaffed as far as doctors were concerned while there was considerable over-manning in other categories.

He explained that at UTH, maintenance expenditure was totally inadequate, transport virtually non-existent while the drugs situation was critical and there was a breakdown in basic systems of control.

"The UTH case is just one example of the general deterioration in Government's asset and quality of service which have come about mainly by the failure to make adequate financial provision."

He stressed that education was another area which was of highest priority but that Government had failed to provide adequate services resulting in critical shortages of educational materials, unattractive conditions of service for teachers and understaffing.

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CSO: 3400/540

ZAMBIA

FARMERS WARNED NOT TO PUT CROPS ON TENDER

Lusaka TIMES OF ZAMBIA in English 17 Oct 85 p 1

[Text] **THE Government has cautioned farmers against holding the nation to ransom through the sale of products by tender, thereby abusing the free market system.**

The warning was sounded in Lusaka yesterday by Agriculture and Water Development Minister General Kingsley Chinkuli who said that since the decontrol of wheat prices, some farmers were selling the cereal by tender.

In a speech to mark the fourth year of the World Food Programme (WFP) and the 40th anniversary of the founding of the Food and Agriculture Organisation (FAO) at Lusaka's Nakatindi Hall, Gen Chinkuli said:

"If wheat farmers have the interest of the nation at heart, they should have, through the Commercial Farmers Bureau (CFB) negotiated a nationally applicable price with the millers' association.

"This was one of the reasons why the Government had found it necessary to proceed carefully with

the changes in institutional arrangements."

The minister stressed the need for care to be taken because of the misplacement of trust by farmers which did not conform to the free market system.

Gen Chinkuli's warning to farmers coincides with concern expressed by Bakers Association of Zambia chairman Mr Bright Msoni who said in Lusaka yesterday that large amounts of flour was finding its way to small bakers who in turn resold it on the black market for higher profit.

Gen Chinkuli also said

the Government intended to revise producer prices for the 1985/86 season he announced last May because the introduction of the foreign exchange auction system had rendered earlier prices inadequate.

The May prices had been overtaken by the new development and were not in line with the cost of agricultural inputs, particularly those that had to be imported.

"It has become necessary to revise the 1985/86 producer prices. I have already given instructions to this effect and I should be able to announce the revised prices soon. This is necessary to keep farm prices attractive so that more food can be produced," he said.

Besides pricing, the ministry would continue to review and re-adjust Zambia's agricultural policies and programmes to ensure that all bottlenecks facing farmers were removed or minimised.

The formation of the Lima Bank through the

merger of the Agricultural Finance Company (AFC) and the Zambia Agricultural Development Bank (ZADB) would redefine the focus on credit towards small-scale farmers and make it more responsive to their needs.

The Government recognised the need to make changes in the institutional arrangement for administration of credit to enable the farmers to grow more.

Gen Chinkuli called for patience from international donors because Zambia could only carry out agricultural policy reforms with caution.

The donors should give Zambia time so that adjustments did not cause dislocations in the agricultural sector.

"I would not like a situation to arise whereby food products could not be readily available on the market. This would be defeating the objective of policy reforms."

Thanking the FAO director-general Mr Edouard Sauoma for his untiring support to Zambia, Gen Chinkuli said he had no doubt FAO would continue to play an important role in Zambia's agricultural development.

Though the attainment of self-sufficiency and the defeat of poverty was still a dream to most Zambians, there was abundant hope for a bright future, especially with the help of organisations such as the FAO.

Government had decided, as part of its strategy, to pay more attention to the small-scale farmers who were facing various constraints.

They were unable to obtain credits and when they did, the loans were not available on time. The extension service was weak because of inadequate tools and the marketing system was not sufficiently equipped to handle produce.

The minister disclosed that there were farmers who had not yet been paid for the crop delivered this season. This made it difficult for them to prepare for the coming season.

And Party Secretary-General Zulu has criticised crop marketing agencies in Zambia for rampant carelessness in the handling of produce resulting in unnecessary wastages.

Addressing the nation on radio and television to mark the World Food Day, Mr Zulu expressed dismay that even the little food that Zambia produced could not be hauled to safety without the intervention of senior Party and Government leaders.

He directed all those responsible for safe keeping of Zambia's food to ensure that proper measures were worked out to correct the situation.

If need be all workers who did not take their jobs seriously should be fired "because Zambia can no longer afford working habits which destroy our efforts to feed ourselves and our ability to create food reserves."

Zambia could attain self-sufficiency in food only if there was resolve and determination by all citizens to work harder than before.

Mr Saouma said in a message read for him by FAO representative in Zambia Mr Sheikh Wadda that the food crisis in Africa demonstrated dramatically that the struggle for free humanity from hunger should be intensified.

There had been generous response to appeals for assistance for food to Africa as nearly seven million tonnes of cereals had been pledged to nations most seriously affected by famine and drought.

ZAMBIA

EDITORIAL QUESTIONS ETHICS OF RAPID OIL PRICE RISE

Lusaka TIMES OF ZAMBIA in English 17 Oct 85 p 1

[Text]

WHEN President Kaunda announced the new system of auctioning foreign exchange on October 4 this year he had explained that the nation would face severe hardships and that prices of most items would go up.

And when the Kwacha depreciated by more than 100 per cent at the first auction last Friday the nation knew that prices of imported goods would rise by the same margin.

But the public did not expect the prices to rise within a week since it takes weeks if not months for imported goods to arrive in Zambia. Unfortunately this is exactly what has happened.

On Monday a spokesman for Zimco announced that prices of petroleum products would be increased by 100 per cent with effect from midnight that day. He said the increases were prompted by the falling value of the Kwacha which

had substantially increased costs of importing crude oil for processing at Indeni oil refinery.

The spokesman did not specifically mention that the increases were a result of the falling value of the Kwacha following the auction system, but the increase by 100 per cent imply that the action was taken following last Friday's auction.

Can someone at Zimco therefore tell the nation when the crude oil was imported and when it reached the port of Dar es Salaam? Did the oil come by air or by sea? And can the spokesman at Zimco also tell the nation how the oil companies established their letters of credit so quickly that the suppliers delivered the oil within three days?

The nation needs answers to these questions because the abrupt increases on petroleum products have tarnished Zimco's name.

The situation has become so bad that some traders have increased prices on locally produced goods in the name of the new system of auctioning foreign exchange. Just where is Zambia heading to?

Are the masses going to be exploited just because the Party and its Government has introduced a new system? We hope businessmen will listen to Mr Andrew Kashita, the chairman of Zincom who appealed to them yesterday to stop increasing prices until the effects of the new system are studied.

It is however surprising that while Mr Kashita is making such an appeal there is no word from the department of price control. Does this department still exist and if so what are its functions in the new system which has ushered in an almost free market pricing mechanism?

Or are we being told price inspectors have already been pruned or declared redundant?

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CSO: 3400/540

ZIMBABWE

FRAUD, THEFT INCREASING IN SECURITY, PUBLIC FORCES

Johannesburg THE CITIZEN in English 21 Nov 85 p 13

[Text]

HARARE. — Fraud and theft were increasing in the Security Forces and the Public Service, especially in Ministries with poor financial controls, and an Accountant-General with a professional staff was urgently needed to take over accounting in all Ministries, according to the Comptroller and Auditor-General, Mr John Hilligan.

In his report for the year ended June 30 last year, just tabled in Parliament, he said there was a tendency for criminals to use organised methods involving a number of people in key positions at every stage and there had been cases where even bank tellers were involved in a conspiracy to defraud the government.

"These crimes were carefully planned and executed, particularly in circumstances where the Ministries concerned

had little or no financial controls. The need for such controls cannot be over-emphasised," he said.

There was complete lack of attention by some Permanent Secretaries and their staffs to standing instructions, Mr Hilligan said, adding: "This attitude is usually coupled with an unwillingness to address the resultant chaotic situation that develops and one cannot help feeling that such an aura of confusion is deliberately contrived because fraud and corruption inevitably thrive in such conditions."

Besides fraud and theft, there was bribery and corruption. "There is a tendency developing in the public sector to demand some form of consideration from suppliers in the private sector in return for the award of contracts and other favours," he said. — Sapa.

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CSO: 3400/504

ZIMBABWE

NORWEGIAN FERTILIZER MANUFACTURING GROUP SETS UP BASE IN HARARE

Harare THE FINANCIAL GAZETTE in English 8 Nov 85 p 1

[Text]

NORSK HYDRO, the large Norwegian agricultural group which is one of the world's leading manufacturers of fertiliser, has set up its first permanent base in Africa in Harare; from which plans are being formulated to "streamline and modernise" the fertiliser industry not only in Zimbabwe but in other East and southern African countries.

Mr O H Robberstad, a senior vice president of Norsk Hydro, told *The Gazette* in Harare this week that this move followed the acquisition, three years ago, of the British company Pfizer's fertiliser division.

PFIZER INTERESTS

"They (Pfizer) happened to have some interests in the fertiliser industry in Zimbabwe", explained Mr Robberstad, "which we acquired. These are the ammonium and fertiliser facilities at Sable in Kwekwe and in the ZFC here in Harare.

"These acquisitions in Zimbabwe suited us very well because we are already involved in marketing of various products in Africa and we now have the opportunity to get a firm and stable base within the fertiliser industry in this country".

Mr Robberstad said that Norsk Hydro had been planning for some time to open an office in Harare.

Norsk Hydro Zimbabwe (Pvt) Ltd has now been established in Regal Star House, Gordon Avenue, Harare, and is meant to be headed by Mr Lars Wiersholm.

Harare will be used as Norsk Hydro's basis for "maintaining and developing further business in other countries in this region and in East Africa. We have felt for many years that much can be done to streamline and modernise the fertiliser industry in these countries.

"There is potential for the same thing in Zimbabwe. So, together with our Zimbabwean partners and the government, we are discussing what can be done in order to achieve this."

Mr Robberstad said that no definite conclusions have been reached yet, but discussions continue over the next month. "We are confident that we will come up with some plan that will contribute to the fertiliser industry in this country".

Norsk Hydro was established in Norway some 80 years ago, to exploit the vast hydro-electric resources of that country. Today the company operates fertiliser production facilities throughout Scandinavia, in the UK and in Germany and Qatar.

Involved in North Sea gas and oil, aluminium, magnesium, petro-

chemicals as well as with fertiliser and associated products, the company had worldwide annual sales of US\$5 billion last year. Between 40% and 50% of turnover involved fertilisers.

WORLDWIDE

The company has developed a worldwide sales and marketing system, with distribution facilities in many African countries including Mozambique, Zambia, Tanzania, Kenya, Zaire, Cameroon, Nigeria, Egypt and several others. Annual African sales amount to between US\$40 and US\$50 million.

Said Mr Robberstad: "We have invested in fertilisers very heavily over the last few years because: We believe that we are among the leading fertiliser companies in the world; we have had, unlike other large fertiliser groups, the money; and the fertiliser business has been so profitable all these years.

"We are cooperating with several governments in Africa to develop the handling and distribution of fertiliser in such a way as to keep costs reasonable. It gives us the opportunity to transfer some of our experience and technology to Africa — where there is a need to increase food production".

/9317

CSO: 3400/504

ZIMBABWE

BRIEFS

SECURITY KILL TWO REBELS, FIND CACHE--Harare--Zimbabwean security forces killed two rebels and captured arms and ammunition in troubled Matabeleland province on Saturday, police reported yesterday. A spokesman said the rebels were killed at Madhlambhuzi, near the Botswana-Zimbabwe border town of Plumtree. The rebels, whom the government says are followers of chief Opposition Zapu-PF leader Mr Joshua Nkomo, have killed more than 300 civilians mainly in Matabeleland and neighbouring Midlands provinces since 1982. Mr Nkomo, who was sacked from the Cabinet by the Prime Minister, Mr Robert Mugabe, for allegedly plotting a coup shortly before the rebels launched their offensive, denies any link with them.--Sapa Reuter [Text] [Johannesburg THE CITIZEN in English 20 Nov 85 p 12] /9317

MUGABE DENIES TORTURE ALLEGATIONS--Harare--The Prime Minister of Zimbabwe, Mr Robert Mugabe, yesterday described Amnesty International's allegations of torture of detainees by the Zimbabwe Government as a "heap of lies." Speaking during his special monthly question time in the House of Assembly, he said the Government had always respected Amnesty International and did not understand why it was now making such untruthful allegations. He said the Nobel Peace Prize winning organisation appeared to have become "Amnesty Lies International."--Sapa [Text] [Johannesburg THE CITIZEN in English 21 Nov 85 p 9] /9317

CSO: 3400/504

END